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MONTHLY REVIEW

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AN INDEPENDENT SOCIALIST MAGAZINE

Why Socialism?
Albert Einstein

The Communist Manifesto After 150 Years
Paul M. Sweezy
Harry Magdoff
Ellen Meiksins Wood

Spectres of Capitalism
Samir Amin

Why We Need a New Manifesto
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Communists and Workers in Ex-Communist Europe
Peter Gowan

What Goes Around Comes Around
Elly Leary

1949-1999 50 YEARS

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REVIEW OF THE MONTH: WHY SOCIALISM?
by Albert Einstein 1

THE *COMMUNIST MANIFESTO* TODAY
by Paul M. Sweezy 8

A NOTE ON THE *COMMUNIST MANIFESTO*
by Harry Magdoff 11

THE *COMMUNIST MANIFESTO* AFTER 150 YEARS
by Ellen Meiksins Wood 14

SPECTRES OF CAPITALISM
by Samir Amin 36

WHY WE NEED A NEW MANIFESTO
by Daniel Singer 40

COMMUNISTS AND WORKERS IN EX-COMMUNIST EUROPE
by Peter Gowan 43

WHAT GOES AROUND COMES AROUND
by Elly Leary 57

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NOTES FROM THE EDITORS

The fifteenth annual Socialist Scholars Conference (SSC) was held this year on the weekend of March 22-23, several weeks earlier than usual, but at the accustomed venue, the Borough of Manhattan Community College, way down on the west side, a couple of blocks from the Chambers Street subway station. The weather on the first day, March 22, after a mild and benign winter—supposedly the gift of El Niño, the fickle Christ Child who evened things up by punishing Florida and California—was abominable, a mixture of sleet, freezing rain, and snow that left many of the approaches to the city clogged with traffic jams and minor accidents but fortunately spared the city streets.

Under these circumstances it was truly remarkable that attendance at the Conference, estimated at 1,600 by the organizers, was higher than last year. It must be emphasized that the following comments make no claim to comprehensiveness, which in any case would be impossible to achieve. From 10 o'clock a.m. on Saturday morning to early evening on Sunday there were

(Continued on inside back cover)

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WHY SOCIALISM?

by ALBERT EINSTEIN

Is it advisable for one who is not an expert on economic and social issues to express views on the subject of socialism? I believe for a number of reasons that it is.

Let us first consider the question from the point of view of scientific knowledge. It might appear that there are no essential methodological differences between astronomy and economics: scientists in both fields attempt to discover laws of general acceptability for a circumscribed group of phenomena in order to make the interconnection of these phenomena as clearly understandable as possible. But in reality such methodological differences do exist. The discovery of general laws in the field of economics is made difficult by the circumstance that observed economic phenomena are often affected by many factors which are very hard to evaluate separately. In addition, the experience which has accumulated since the beginning of the so-called civilized period of human history has—as is well known—been largely influenced and limited by causes which are by no means exclusively economic in nature. For example, most of the major states of history owed their existence to conquest. The conquering peoples established themselves, legally and economically, as the privileged class of the conquered country. They seized for themselves a monopoly of the land ownership and appointed a priesthood from among their own ranks. The priests, in control of education, made the class division of society into a permanent institution and created a

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Albert Einstein is the world-famous physicist. This article was originally published in the first issue of *Monthly Review*. We are printing it again today to commemorate the first issue of *MR*'s fiftieth year.

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system of values by which the people were thenceforth, to a large extent unconsciously, guided in their social behavior.

But historic tradition is, so to speak, of yesterday; nowhere have we really overcome what Thorstein Veblen called "the predatory phase" of human development. The observable economic facts belong to that phase and even such laws as we can derive from them are not applicable to other phases. Since the real purpose of socialism is precisely to overcome and advance beyond the predatory phase of human development, economic science in its present state can throw little light on the socialist society of the future.

Second, socialism is directed towards a social-ethical end. Science, however, cannot create ends and, even less, instill them in human beings; science, at most, can supply the means by which to attain certain ends. But the ends themselves are conceived by personalities with lofty ethical ideals and—if these ends are not stillborn, but vital and vigorous—are adopted and carried forward by those many human beings who, half unconsciously, determine the slow evolution of society.

For these reasons, we should be on our guard not to overestimate science and scientific methods when it is a question of human problems; and we should not assume that experts are the only ones who have a right to express themselves on questions affecting the organization of society.

Innumerable voices have been asserting for some time now that human society is passing through a crisis, that its stability has been gravely shattered. It is characteristic of such a situation that individuals feel indifferent or even hostile toward the group, small or large, to which they belong. In order to illustrate my meaning, let me record here a personal experience. I recently discussed with an intelligent and well-disposed man the threat of another war, which in my opinion would seriously endanger the existence of mankind, and I remarked that only a supra-national organization would offer protection from that danger. Thereupon my visitor, very calmly and coolly, said to me: "Why are you so deeply opposed to the disappearance of the human race?"

I am sure that as little as a century ago no one would have so lightly made a statement of this kind. It is the statement of a man who has striven in vain to attain an equilibrium within himself and has more or less lost hope of succeeding. It is the

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expression of a painful solitude and isolation from which so many people are suffering in these days. What is the cause? Is there a way out?

It is easy to raise such questions, but difficult to answer them with any degree of assurance. I must try, however, as best I can, although I am very conscious of the fact that our feelings and strivings are often contradictory and obscure and that they cannot be expressed in easy and simple formulas.

Man is, at one and the same time, a solitary being and a social being. As a solitary being, he attempts to protect his own existence and that of those who are closest to him, to satisfy his personal desires, and to develop his innate abilities. As a social being, he seeks to gain the recognition and affection of his fellow human beings, to share in their pleasures, to comfort them in their sorrows, and to improve their conditions of life. Only the existence of these varied, frequently conflicting, strivings accounts for the special character of a man, and their specific combination determines the extent to which an individual can achieve an inner equilibrium and can contribute to the well-being of society. It is quite possible that the relative strength of these two drives is, in the main, fixed by inheritance. But the personality that finally emerges is largely formed by the environment in which a man happens to find himself during his development, by the structure of the society in which he grows up, by the tradition of that society, and by its appraisal of particular types of behavior. The abstract concept "society" means to the individual human being the sum total of his direct and indirect relations to his contemporaries and to all the people of earlier generations. The individual is able to think, feel, strive, and work by himself; but he depends so much upon society—in his physical, intellectual, and emotional existence—that it is impossible to think of him, or to understand him, outside the framework of society. It is "society" which provides man with food, clothing, a home, the tools of work, language, the forms of thought, and most of the content of thought; his life is made possible through the labor and the accomplishments of the many millions past and present who are all hidden behind the small word "society."

It is evident, therefore, that the dependence of the individual upon society is a fact of nature which cannot be abolished—just as in the case of ants and bees. However, while the whole

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life process of ants and bees is fixed down to the smallest detail by rigid, hereditary instincts, the social pattern and interrelationships of human beings are very variable and susceptible to change. Memory, the capacity to make new combinations, the gift of oral communication have made possible developments among human being which are not dictated by biological necessities. Such developments manifest themselves in traditions, institutions, and organizations; in literature; in scientific and engineering accomplishments; in works of art. This explains how it happens that, in a certain sense, man can influence his life through his own conduct, and that in this process conscious thinking and wanting can play a part.

Man acquires at birth, through heredity, a biological constitution which we must consider fixed and unalterable, including the natural urges which are characteristic of the human species. In addition, during his lifetime, he acquires a cultural constitution which he adopts from society through communication and through many other types of influences. It is this cultural constitution which, with the passage of time, is subject to change and which determines to a very large extent the relationship between the individual and society. Modern anthropology has taught us, through comparative investigation of so-called primitive cultures, that the social behavior of human beings may differ greatly, depending upon prevailing cultural patterns and the types of organization which predominate in society. It is on this that those who are striving to improve the lot of man may ground their hopes: human beings are *not* condemned, because of their biological constitution, to annihilate each other or to be at the mercy of a cruel, self-inflicted fate.

If we ask ourselves how the structure of society and the cultural attitude of man should be changed in order to make human life as satisfying as possible, we should constantly be conscious of the fact that there are certain conditions which we are unable to modify. As mentioned before, the biological nature of man is, for all practical purposes, not subject to change. Furthermore, technological and demographic developments of the last few centuries have created conditions which are here to stay. In relatively densely settled populations with the goods which are indispensable to their continued existence, an extreme division of labor and a highly-centralized productive apparatus are absolutely necessary. The time—which, looking

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back, seems so idyllic—is gone forever when individuals or relatively small groups could be completely self-sufficient. It is only a slight exaggeration to say that mankind constitutes even now a planetary community of production and consumption.

I have now reached the point where I may indicate briefly what to me constitutes the essence of the crisis of our time. It concerns the relationship of the individual to society. The individual has become more conscious than ever of his dependence upon society. But he does not experience this dependence as a positive asset, as an organic tie, as a protective force, but rather as a threat to his natural rights, or even to his economic existence. Moreover, his position in society is such that the egotistical drives of his make-up are constantly being accentuated, while his social drives, which are by nature weaker, progressively deteriorate. All human beings, whatever their position in society, are suffering from this process of deterioration. Unknowingly prisoners of their own egotism, they feel insecure, lonely, and deprived of the naive, simple, and unsophisticated enjoyment of life. Man can find meaning in life, short and perilous as it is, only through devoting himself to society.

The economic anarchy of capitalist society as it exists today is, in my opinion, the real source of the evil. We see before us a huge community of producers, the members of which are unceasingly striving to deprive each other of the fruits of their collective labor—not by force, but on the whole in faithful compliance with legally established rules. In this respect, it is important to realize that the means of production—that is to say, the entire productive capacity that is needed for producing consumer goods as well as additional capital goods—may legally be, and for the most part are, the private property of individuals.

For the sake of simplicity, in the discussion that follows I shall call "workers" all those who do not share in the ownership of the means of production—although this does not quite correspond to the customary use of the term. The owner of the means of production is in a position to purchase the labor power of the worker. By using the means of production, the worker produces new goods which become the property of the capitalist. The essential point about this process is the relation between what the worker produces and what he is paid, both measured in terms of real value. Insofar as the labor contract is "free," what the worker receives is determined not by the real

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value of the goods he produces, but by his minimum needs and by the capitalists' requirements for labor power in relation to the number of workers competing for jobs. It is important to understand that even in theory the payment of the worker is not determined by the value of his product.

Private capital tends to become concentrated in few hands, partly because of competition among the capitalists, and partly because technological development and the increasing division of labor encourage the formation of larger units of production at the expense of the smaller ones. The result of these developments is an oligarchy of private capital, the enormous power of which cannot be effectively checked even by a democratically organized political society. This is true since the members of legislative bodies are selected by political parties, largely financed or otherwise influenced by private capitalists who, for all practical purposes, separate the electorate from the legislature. The consequence is that the representatives of the people do not in fact sufficiently protect the interests of the underprivileged sections of the population. Moreover, under existing conditions, private capitalists inevitably control, directly or indirectly, the main sources of information (press, radio, education). It is thus extremely difficult, and indeed in most cases quite impossible, for the individual citizen to come to objective conclusions and to make intelligent use of his political rights.

The situation prevailing in an economy based on the private ownership of capital is thus characterized by two main principles: first, means of production (capital) are privately owned and the owners dispose of them as they see fit; second, the labor contract is free. Of course, there is no such thing as a *pure* capitalist society in this sense. In particular, it should be noted that the workers, through long and bitter political struggles, have succeeded in securing a somewhat improved form of the "free labor contract" for certain categories of workers. But taken as a whole, the present day economy does not differ much from "pure" capitalism.

Production is carried on for profit, not for use. There is no provision that all those able and willing to work will always be in a position to find employment; an "army of unemployed" almost always exists. The worker is constantly in fear of losing his job. Since unemployed and poorly paid workers do not provide a profitable market, the production of consumers'

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goods is restricted, and great hardship is the consequence. Technological progress frequently results in more unemployment rather than in an easing of the burden of work for all. The profit motive, in conjunction with competition among capitalists, is responsible for an instability in the accumulation and utilization of capital which leads to increasingly severe depressions. Unlimited competition leads to a huge waste of labor, and to that crippling of the social consciousness of individuals which I mentioned before.

This crippling of individuals I consider the worst evil of capitalism. Our whole educational system suffers from this evil. An exaggerated competitive attitude is inculcated into the student, who is trained to worship acquisitive success as a preparation for his future career.

I am convinced there is only *one* way to eliminate these grave evils, namely through the establishment of a socialist economy, accompanied by an educational system which would be oriented toward social goals. In such an economy, the means of production are owned by society itself and are utilized in a planned fashion. A planned economy, which adjusts production to the needs of the community, would distribute the work to be done among all those able to work and would guarantee a livelihood to every man, woman, and child. The education of the individual, in addition to promoting his own innate abilities, would attempt to develop in him a sense of responsibility for his fellow men, in place of the glorification of power and success in our present society.

Nevertheless, it is necessary to remember that a planned economy is not yet socialism. A planned economy as such may be accompanied by the complete enslavement of the individual. The achievement of socialism requires the solution of some extremely difficult socio-political problems: How is it possible, in view of the far-reaching centralization of political and economic power, to prevent bureaucracy from becoming all-powerful and overweening? How can the rights of the individual be protected and therewith a democratic counterweight to the power of bureaucracy be assured?

Clarity about the aims and problems of socialism is of greatest significance in our age of transition. Since, under present circumstances, free and unhindered discussion of these problems has come under a powerful taboo, I consider the foundation of this magazine to be an important public service.

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THE *COMMUNIST MANIFESTO* TODAY

by PAUL M. SWEEZY

I've probably read the *Communist Manifesto* a dozen times, more or less. But it never struck me as old hat. It was always worth reading again. So I thought that in preparation for this panel, I should read it once more, this time with special attention to insights and formulations that seem particularly relevant to the problems we face in the world as the twenty-first century approaches.

Here is what I came up with, summarized under three headings: (1) The crises of capitalism; (2) Where are we going? and (3) What should we be trying to accomplish?

The Crises of Capitalism

Eighteen forty-eight, when the *Manifesto* was written, was a crisis year in Europe. Nineteen ninety-eight is a crisis year for a now fully globalized capitalist economy. What Marx and Engels said about "the commercial crises [that] by their periodic return, put on its trial, each time more threateningly, the existence of the entire bourgeois society" (the *Communist Manifesto*, Monthly Review Press, 1998) is just as applicable to our own time. And so is the diagnosis of the basic cause: "In these crises," they wrote, "there breaks out an epidemic that in all earlier epochs would have seemed an absurdity, the epidemic of overproduction." Today the formulation might be better formulated to read "an epic of overproduction of the means of production." Bourgeois economics still doesn't get it, and probably never will.

Paul M. Sweezy is co-editor of *Monthly Review*. The above article was originally presented at the *MR* sponsored panel "150 Years After the *Communist Manifesto*," at the 1998 Socialist Scholars Conference.

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Where Are We Going?

Marx and Engels were dedicated revolutionaries and firmly believed that the inherent and ineradicable contradictions of capitalism would generate a growing and ultimately successful revolutionary struggle to overturn the system and put in its place a more humane and rational one. But did their analysis allow for, or perhaps even imply a different historical outcome? The answer, I think, is unequivocally yes. Early on in the *Manifesto*, indeed on the first page of the first section entitled "Bourgeois and Proletarians," an oft-quoted passage reads:

> The history of all hitherto existing society is the history of class struggles. Freeman and slave, patrician and plebeian, lord and serf, guild-master and journeyman, in a word, oppressor and oppressed, stood in constant opposition to one another, carried on an uninterrupted, now hidden, now open fight, that each time ended, either in a revolutionary reconstitution of society at large, or in the common ruin of the contending classes.

Nothing more is said about "the common ruin of the contending classes" in the *Manifesto*, most likely because Marx and Engels did not consider it a likely outcome of the class struggle under capitalism. But if we look around us in the world today—*and take into account the extent to which capitalism is destroying or undermining the natural foundations of a sustainable economy*—we must surely reinstate "the common ruin of the contending classes" as a very realistic prospect in the historically near future.

What Should we be Trying to Accomplish?

We should be trying to impress on the peoples of the world the truth about capitalism, that it is not, as bourgeois ideologists want us to believe, the "end of history," but that its continued existence can really bring the end of history. Does the *Manifesto* offer any help in this respect? Perhaps—if we read it carefully and interpret it imaginatively. In a too-often neglected passage, Marx and Engels introduce a new theme into their analysis.

> Finally, in times when the class struggle nears the decisive hour, the process of dissolution going on within the ruling class, in fact within the whole range of old society, assumes such a violent, glaring character that a small section of the ruling class cuts itself adrift, and joins the revolutionary class that holds the future in its hands. Just as, therefore, at an earlier period, a section of the nobility went over to the bourgeoisie, so now a section of the bourgeoisie goes over to the proletariat, and in particular a portion of the bourgeois ideologists,

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who have raised themselves to the level of comprehending theoretically the historical movement as a whole.

Already, a very large section of the world's scientific community is fully aware of the seriousness of the ecological threat facing the planet, but what is not widely recognized is that the *cause* of the threat is capitalism itself. Bourgeois economics seeks to hide or deny this fact. No wonder. If it were generally understood, capitalism would soon be identified for what it is, the mortal enemy of human kind and many other forms of life on the planet. In these circumstances, our responsibility is not only to help the ecologists to get their message across, important as it is, but to convince the ecologists themselves as well as the public at large of the truth about capitalism, that it must be replaced by a social system that puts the life giving capacity of the earth as its first and highest priority. As the unfolding of capitalism's deadly consequences proceeds, more and more people, including "bourgeois ideologists who have raised themselves to the level of understanding the historical movement as a whole," will come to see what has to be done if our species is to have any future at all. Our job is to help bring this about in the shortest possible time.

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A NOTE ON THE *COMMUNIST MANIFESTO*

by HARRY MAGDOFF

Probably the passage in the *Communist Manifesto* most frequently cited these days is a portrayal of the global spread of capitalism:

> All old-established national industries have been destroyed or are being destroyed. They are dislodged by new industries, whose introduction becomes a life and death question for all nations, by industries that no longer work up indigenous raw material, but raw material drawn from the remotest zones; industries whose products are consumed not only at home, but in every quarter of the globe. In place of the old wants, satisfied by the productions of the country, we find new wants, requiring for their satisfaction the products of distant lands. We have universal inter-dependence of nations.... All nations, on pain of extinction, [are compelled] to adopt the bourgeois mode of production; it compels them to introduce what it calls civilization into their midst, i.e., to become bourgeois themselves. In a word, it creates a world after its own image.

Certainly, the history of the past half-century has more than confirmed that the trend described 150 years ago is still in operation. There is, however, an integral feature of the capitalist penetration just described which is missing from the *Manifesto.* While capitalism by its very nature lives by accumulation and geographic expansion, it does so in a most unequal fashion. Even though nothing in economics follows strict mathematical rules, there are notable tendencies which are produced by the inner springs of capitalism. An outstanding example of such a tendency is found in the distinct and marked widening of the gap between a handful of rich nations and the rest of the world. The accelerating globalization of our times demonstrates this polarization in no uncertain terms.

Harry Magdoff is co-editor of *Monthly Review.*

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A recent study of the income distribution of the world from 1965 to 1990, summarized in the accompanying table, shows that in our day 20 percent of the world's population live in countries which produce and benefit from over 83 percent of the world's output of goods and services (the share of the top 10 percent of world population came to 56 percent) while the share of global output of the poorest 20 percent of the world's people is 1.4 percent. Now look at the difference in the trends in income distribution between the 20 percent in the richest countries and the rest of the world. The share of the world's income in each one of the four lowest (income) groups of countries declined steadily from 1965 to 1990. On the other hand, the share of the richest 20 percent steadily increased from about 70 to over 83 percent. All this took place when, for most of the period, the rich countries were in a stage of stagnation and when ever more capital was flowing from the rich into the poor countries, presumably to develop new industries and develop financial and other services. (An examination of similar data available in World Bank reports for later years indicates that the polarization continued in full force during the 1990s.)

Thus, at the end of centuries of capitalist expansion, here is how things stand: 60 percent of the world's population has 5.3 percent of the world output and income, while more than 83 percent (see last column of table) is in the hands of the richest 20 percent.

Shares of the World Income 1965-1990

Population	—Percent of Total World Income—			
	1965	1970	1980	1990
Poorest 20%	2.3	2.2	1.7	1.4
Second 20%	2.9	2.8	2.2	1.8
Third 20%	4.2	3.9	3.5	2.1
Fourth 20%	21.2	21.3	18.3	11.3
Richest 20%	69.5	70.0	75.4	83.4

Source: Roberto Patricio Korzeniewicz and Timothy Patrick Moran, "World-Economic Trends in the Distribution of Income, 1965-1992," *American Journal of Sociology*, Vol. 102, No. 4, January 1997.

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Relevant to this commentary is another oft-cited sentence from the *Manifesto*: "The bourgeoisie, during its rule of scarce one hundred years, has created more massive and more colossal productive forces than have all preceding generations together." As with so much more in the *Manifesto*, this point can be made with even more emphasis 150 years later. And yet once again, we need to recognize how incredibly uneven is the distribution of the productive forces from region to region. On the one hand, the miracles of electronics; on the other hand, according to the latest UN *Human Development Report*, over a billion people do not have access to safe water. The list of absent productive and collateral forces needed to meet the basic needs of 80 percent of the world's people is a long and miserable one.

There is much talk these days in radical circles about the need for a socialist vision. Too often that vision is strongly influenced by the material achievements of the rich capitalist nations and the living standards of the advantaged sectors. However, in view of the way capitalism has spread throughout the world as well as in the most advanced nations of the world, it is essential that the vision of socialism focus on a social transformation which will put first and foremost: the empowerment and meeting the basic human needs of the poorest, the most oppressed, and disadvantaged.

The issue is socialism versus capitalism. I am for socialism because I am for humanity. We have been cursed with the reign of gold long enough. Money constitutes no proper basis of civilization. The time has come to regenerate society—we are on the eve of a universal change.

Eugene V. Debs

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THE *COMMUNIST MANIFESTO* AFTER 150 YEARS

by ELLEN MEIKSINS WOOD

The *Communist Manifesto* is just that: a manifesto. It is not a long and comprehensive scholarly study but a public declaration of a political program, a short and dramatic statement of purpose and a call to arms, written at a time of political ferment, on the eve of what turned out to be the nearest thing the world had ever seen to international revolution.

Yet posterity has judged this political manifesto not just as a manifesto but as many other things. In the century and a half since its publication, it has been judged not only as a uniquely influential document in the theory and practice of revolutionary movements throughout the world, but also as a work of history, as economic, political, and cultural analysis, and as prophecy. The *Manifesto* has been judged as an account of past, present, and future—not only the present and future of its authors but those of every generation since, up to and including our own.

At first glance, it seems very unreasonable to judge a small pamphlet—the product of collaboration by two young men very early in their careers, written for a very specific and immediate purpose—by such demanding measures. It is hard to think of any other classic of Western social thought that has been judged by such sweeping and rigorous standards. The *Manifesto* stands alone in this respect no doubt because of its tremendous role in the history of a vast political movement which has had an

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Ellen Meiksins Wood is co-editor of *Monthly Review*. This is the afterword to the new edition of the *Communist Manifesto* just published by Monthly Review Press.

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immeasurable influence on the shape of the modern world. More particularly, the *Manifesto* has been subject to uniquely critical scrutiny because people in power, and their intellectual supporters, have felt that much was at stake in debunking it.

But only a very great work—which still has much to say to us 150 years later—could invite this kind of critical scrutiny. Nothing could give more convincing testimony to the genius of the *Manifesto* than the energy that has been expended in attacking it. So while we have to remember the particular purposes for which it was written and the very specific historical context in which it emerged, it seems not so unreasonable after all to judge it in much larger terms.

The Historical Context of the Manifesto

Let us first consider the context in which the *Communist Manifesto* was written and how the specific historical conditions of its composition affected its content.

The broad historical context of the *Manifesto* is, of course, the emergence of industrial capitalism and the modern industrial working class in Western Europe, together with the socialist movements that grew out of these historical developments. There had been earlier classics in what would become the socialist tradition—such as the work of Winstanley in seventeenth century England or Babeuf in eighteenth century France—but the social movements with which they were associated, while influential in various ways, remained on the margins of history. It was only in the nineteenth century that substantial working class movements emerged that could form a powerful political force and even socialist parties. With the appearance of this new political force came a body of socialist literature. First, there was a diverse collection of writings often treated together (largely thanks to the *Manifesto* itself) under the category "utopian socialism," by thinkers such as Owen, St. Simon, and Fourier. These writings would be overtaken by the far more penetrating and systematic works of Marx and Engels, whose socialism was deeply rooted in a critical analysis of capitalism of a kind never attempted before. The *Manifesto* is certainly not the most substantial of these works, but it is without doubt the most well known, with a historical resonance probably unsurpassed by any other single piece of secular writing, from any part of the political spectrum.

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Yet though the *Manifesto* was composed against the background of those larger, long-term historical developments, it had a more immediate context which helps to explain its particular shape. The pamphlet was commissioned by the German Communist League in 1847. Friedrich Engels (at age 27) first drafted *Principles of Communism* (also included in this edition). He handed it over to Karl Marx, then 29, for revision. Drawing on Engels' *Principles,* Marx produced the theoretical and literary masterpiece we now know as the *Communist Manifesto, which was first published anonymously in London in February 1848.*

This was the year when revolution would sweep across Europe—almost immediately after the publication of the Manifesto (though obviously not because of it). Spreading like wildfire from France to Germany to Hungary, Italy, and beyond, the revolution covered an area that today takes in at least part of ten different European countries, with effects as far away as Latin America. In just a few weeks, one government after another fell. These revolutions were to be very short-lived, but it is hard to over-estimate the hopes and fears they aroused as signals of an international revolution.

The *Manifesto* was written just before the outbreak of the revolution. Although it cannot be said that the pamphlet played a major part in the events that followed, it is a product of that very specific time and that very specific revolutionary climate. In that historical fact lie both many of its strengths and some unresolved problems.

The revolution, or revolutions, of 1848 took place in countries with very diverse social, economic, and political conditions: from a relatively "developed" country like France, or parts of Germany (not yet a single unified state) such as the Rhineland, to "backward" areas like southern Italy or Transylvania. But one thing they had in common was that capitalism was not well advanced in any of them, and in some cases not at all. For all their differences, too, they all had predominantly rural populations. Britain, the country in which capitalism was most advanced, certainly saw eruptions of popular unrest and state repression in the 1840s, but it did not experience the revolutionary upheavals that occurred on the Continent. There was a mass political movement in Britain too, the Chartist movement, but its political struggles (for instance, the struggle for an

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extension of the franchise to the working class, which would be won some time later) were being overtaken by new kinds of class struggle. The growth of industrial capitalism was already shifting the central terrain of class conflict from the political arena to the workplace, the "point of production."

If the various Continental revolutions had a common political program, it was not the overthrow of something like a capitalist system. It was rather the establishment of unified liberal or constitutional states with a degree of civil equality, inspired above all by the French Revolution in the previous century. In some cases, like Hungary or Italy, the struggle for a more democratic state was bound up with the fight for national autonomy.

But if 1848 was not a socialist or anti-capitalist revolution, neither was it unambiguously a "bourgeois revolution" in the now commonly understood sense: a revolution to liberate capitalism from feudal constraints. The revolutionary "bourgeoisie" was not a coherent capitalist class. Prominent among them were civil servants, professionals, and intellectuals. Even in countries where industrialization was more advanced, the industrial bourgeoisie which opposed the dominant regime was small and relatively weak, never able to act alone against the ruling elite without the support of popular forces with different material interests.

In all these cases, too, the popular forces, the people who fought and died in the streets, the people who pushed the revolution beyond the political objectives of the "bourgeois republic" or the liberal state toward more far-reaching social transformations, were not a modern mass proletariat. They included independent craftsmen, small shopkeepers, peasants in some places (like Italy, and even some parts of Germany), and the unemployed or underemployed poor in towns with undeveloped economies still unable to absorb them. Nowhere in revolutionary Europe was there a massive and developed proletariat, a sizeable class of wage-laborers employed by capital such as already existed in Britain. The nascent proletariat, especially in France and more developed parts of Germany, had an effect disproportionate to its numbers, but it could not yet provide the social base for a successful revolution.

For that matter, there may have been no solid social base even for a "bourgeois democratic" revolution. The revolutionary movements relied, to varying degrees, on mass mobilization.

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Yet it was precisely the dangers of mass mobilization that quickly drove bourgeois liberals and radicals everywhere away from democracy, or even liberalism, and back to rigid hierarchy, order, and reaction. It might be said that the revolution both erupted and failed because no single class was strong enough to sustain a stable regime of its own.

At any rate, when Marx and Engels wrote the *Manifesto,* they did not believe that a socialist revolution, or a proletarian revolution of any kind, was in the offing. They briefly hoped that the events, and the failures, of 1848 might lead to something more, some further longer-term development, a "permanent revolution" that would push beyond the bourgeois republic to proletarian rule and finally socialism. But any reader of the *Manifesto* must be struck by the fact that the revolutionary hero of its eloquent narrative is the bourgeoisie.

The revolutionary victories of the bourgeoisie were, of course, deeply contradictory for Marx and Engels, combining benefits and costs in equal measure. They hoped, and confidently expected, that the bourgeoisie's conquests would eventually be overtaken by the triumph of the working class and socialism. But even while the *Manifesto* calls workers to arms and foresees their emergence as a truly revolutionary force, it tells the triumphal story of the bourgeoisie.

"Bourgeois" or "Capitalist"?

It is commonly acknowledged that the "bourgeois revolution," with the French Revolution of 1789 as the guiding light, forms the background of the *Communist Manifesto.* But what exactly does this mean, and what are its consequences for the argument of the *Manifesto*?

We cannot make sense of this classic without understanding that the setting of its historical narrative is not an advanced capitalism. The point is not simply that the pamphlet was written in the mid-nineteenth century rather than at the end of the twentieth. It is not just that Marx and Engels were talking about an earlier stage of capitalism than the one we inhabit. The immediate context of their narrative is not even the most advanced capitalism of their own day. They are writing against the background of revolutionary ferment generated by social forces and struggles that have as much to do with pre-capitalist formations as with capitalist social relations: not

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just wage-laborers pitted against capitalist employers, but non-privileged against privileged classes, common people (including bourgeois) against aristocracy, the nation against monarchy, peasants against landlords, even serfs against masters, and everywhere the hungry poor against the rich.

This is where we come to some interesting tensions in the *Manifesto.* It is a manifesto of communism, of proletarian revolution against capitalism. As a call to socialist struggle, it has never been surpassed in its passion, its eloquence, its depth. It is also a powerful and prophetic analysis of capitalism, which still stands unrivalled as a portrait of the capitalist world in which we live today, even on the brink of the twenty-first century. But the *Manifesto*'s immediate political inspiration belongs to a different world, very unlike the capitalist world it so vividly portrays.

Marx's projections of the capitalist future are remarkable enough even in relation to the most advanced capitalism of his day. But if Britain was the model for his analysis of the capitalist system, it was not the inspiration for the *Manifesto*'s story of the bourgeoisie as a revolutionary *political* force—a force that would, in turn, launch the career of the proletariat as a revolutionary class.

The narrative of bourgeois revolution portrays the bourgeoisie as a class which, at every stage of its development, was obliged to struggle against the forces of reaction. It began, says Marx, as an oppressed class fighting against the feudal aristocracy and, only after centuries of class struggle and advance, ended with its own modern representative state. In all these battles it was obliged to enlist the support of laboring classes, and finally to drag the modern proletariat into the political arena, giving the working class the weapons to conduct its own struggle against the bourgeoisie. This bourgeoisie also bequeathed to the working class the most progressive aspects of its ideology: critical, anti-clerical and anti-superstitious, liberal and up to a point egalitarian—in other words, the culture of the Enlightenment.

This portrait of a politically progressive bourgeoisie, anti-aristocratic to its core and more or less liberal, owes more to the history of Continental bourgeois struggles than to the development of British capitalism. The classic "bourgeois" struggle, the French Revolution of 1789, had little to do with capitalism. The

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core of the revolutionary bourgeoisie did not consist of capitalists, or even of commercial classes of a pre-capitalist kind, but of office-holders and professionals. The revolutionary objectives of people like this had to do not with liberating capitalism but with aspirations to civil equality and "careers open to talent." These bourgeois objectives are not those of a society in which capitalist wealth is the highest goal. They were better suited to a society in which public office was a lucrative economic resource and the highest bourgeois career.

As for British *capitalism*, it was never simply, or even primarily, a "bourgeois" career. The British landed aristocracy was no less capitalist than were urban classes. Nor did capitalism establish itself in England by means of politically progressive "bourgeois" struggles against a reactionary aristocracy. Many large property owners in England, both landed and urban, had certainly fought against the king in the English revolution of the seventeenth century, when their partnership with the Crown threatened to give way to an "absolutist" monarchy; and they were obliged to resort to popular mobilization to achieve their anti-absolutist goals. In that struggle, they espoused certain principles of parliamentary rule and "limited" government, and the popular forces they unleashed (and soon suppressed) produced some of the most radically democratic ideas the world had ever seen. But the revolution was never a class struggle between a landed aristocracy and a rising bourgeoisie, capitalist or otherwise.

If capitalists in Britain were ever compelled to engage in class struggle to ensure their own class interests, it was not a struggle against a ruling class. In a sense, capitalists—at least agrarian capitalists—were *born* a ruling class in England. Even in the nineteenth century, when conflicts erupted between landed and industrial classes, they were essentially conflicts between two kinds of capital. If British capitalism required class struggle to free itself from political and economic constraints, it was primarily against subordinate classes, such as the small proprietors whose property rights (and sometimes dangerously radical ideas) interfered with capitalist accumulation.

So it was not really capitalists who supplied Marx with his principal model of a politically progressive bourgeoisie. Yet that progressive model did affect his view of capitalism. It is difficult to say how much his hopes for proletarian revolution were encour-

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aged by this image of a politically progressive bourgeoisie which launched the proletariat onto the political stage and furthered its political development. But one thing seems clear: the picture of capitalism itself as a progressive force—which is so much a part of the *Manifesto*'s story—is colored by the revolutionary career of the Continental, and especially the French, bourgeoisie.

We have to draw some distinctions in the *Manifesto* between the story of political, cultural, and ideological progress, on the one hand, and the analysis of material or economic development, on the other. Or, more precisely, we have to distinguish between those political, cultural, and ideological developments that are clearly associated with capitalist economic development and those that are not so clearly connected with capitalism. The different aspects of Marx's narrative, conflated in his own account, are typically lumped together by commentators, often under the general heading of "modernity." But it will make for a better understanding of capitalism if we try to disentangle some of the different strands in his narrative. This will bring out in sharper relief Marx's own remarkable, and to this day unrivalled, insights into the nature of capitalism.

It is not at all clear that the development of capitalism required, or brought into being, the best of Enlightenment principles. For instance, that part of the French bourgeoisie which in the eighteenth century adopted as its guiding ideology the Enlightenment commitment to human improvement, the improvement of the human mind, the eradication of ignorance and superstition, or the commitment to civil equality and "careers open to talent," was not in the main a capitalist class. It was a class of professionals, office-holders, and intellectuals, with material interests distinct from those of capitalists. It can even be argued that the mature development of capitalism has brought an end to that kind of bourgeoisie and its specific cultural formation.

In the twentieth century we know all too well that capitalism, while it certainly requires a "rational" (that is, an "efficient" or profitable) organization of production, has little need for "rationalism" in the best Enlightenment sense: the submission of all authority to the scrutiny of critical reason. Capitalism needs a disciplined and docile workforce. It has no need at all for a critical citizenry. In fact, a worker who has a habit of using her critical reason may be much more dangerous to the "rational"

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organization of production (not to mention the power and property of capital) than would, say, a worker committed to some irrationalist superstition or certain kinds of religious fundamentalism which repudiate Enlightenment principles. Right-wing political movements in the U.S., for instance, have without any difficulty combined anti-Enlightenment values with a deep commitment to capitalism.

As for political progress, it is certainly true that feudal hierarchy and aristocratic privilege did, as Marx suggests, give way to the "modern representative state." In fact, since Marx wrote those words the "bourgeois" representative state has itself given way to something we now call "democracy." The bourgeoisie is not now a "ruling" class in the literal sense: its class dominance does not depend on exclusive access to political rights or on a clear and legally defined division between capitalist rulers and proletarian subjects. Workers are citizens with full voting rights, and capitalism has proved itself able to tolerate universal adult suffrage in a way that no other form of class domination has ever been able to do.

But this political advance has been deeply ambiguous. The ambiguity goes beyond the obvious fact that in capitalist "democracy" wealth still means privileged access to political power, or the fact that the state, as Marx and Engels maintained, generally acts in the interests of the capitalist class. Nor is it just that capitalism can readily tolerate, and sometimes needs, authoritarian rule. There is an even more fundamental contradiction in capitalist "democracy."

Capitalism can tolerate "democracy" because capitalists control the labor of others not by means of exclusive political rights but by means of exclusive property. Although capital needs the support of the state, workers are compelled to sell their labor power for purely "economic" reasons. Since they do not own the means of production, the sale of labor power for a wage is the only way they can gain access to the conditions of subsistence, and even to the means of their own labor. There is no immediate need for direct political coercion to make them work for capital. Purely "economic" compulsions are generally enough.

This means that even in its best and most "democratic" forms, capitalism can, and must, confine equality to a separate "political" sphere which does not, and must not, intrude into the economic sphere or subvert economic inequality. A kind of

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democracy may prevail in the political sphere, but people in capitalist societies spend most of their waking lives in activities and relationships where there is no democratic accountability at all. This is true not only in the workplace, where they are likely to be under the direct control of others, but in all spheres of life that are subject to "market" imperatives.

So capitalism has created a political sphere governed by "democracy," but it has at the same time, and by the same means, put large areas of human life outside the reach of democracy. In other words, much of what capitalism has given with one hand it has taken away with the other.

Marx's analysis of capitalism is so rich precisely because it exposes the system's fundamental contradictions. The tendency to conflate "bourgeois" and "capitalist," and to tell their stories as a single story of "modernity" and progress, can obscure those contradictions. It may detract from those aspects of Marx's analysis which give us an insight, sharper and deeper than ever before or since, into the nature of capitalist society. In his later work, and especially in *Capital*, Marx would provide a much more exhaustive analysis of capitalism. But in the few pages devoted to it in the *Manifesto*, in poetic and passionate prose yet with stark and penetrating clarity, he captures, as no one else has ever done, the essence of capitalism, with all its dynamism and destructiveness.

Capitalism and Historical Materialism

> The bourgeoisie cannot exist without constantly revolutionizing the instruments of production, and thereby the relations of production, and with them the whole relations of society. Conservation of the old modes of production in unaltered form was, on the contrary, the first condition of existence for all earlier industrial classes. Constant revolutionizing of production, uninterrupted disturbances of all social conditions, everlasting uncertainty and agitation distinguish the bourgeois era from all earlier ones. All fixed, fast-frozen relations ... are swept away, all newformed ones become antiquated before they can ossify. All that is solid melts into air, all that is holy is profaned....

In this, one of the most famous passages in the *Manifesto*, Marx sums up the nature of capitalism. Unlike all other earlier social forms, capitalism demands constant change, constant improvement of productive forces to enhance the productivity of labor in a constant quest for profit. The need for profit, the need to accumulate endlessly, is imposed on capital by the very nature of the system: it *must* accumulate, it

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must maximize profit, just to survive. No earlier system was ever subject to such pressures.

This characterization of capitalism as a specific mode of production different from others is based on the principles of historical materialism, which Marx and Engels had been elaborating for several years and which they would develop more fully after 1848. Historical materialism begins with the simple proposition that human beings obtain the material conditions of their existence through specific and historically variable relationships with nature and with other human beings. The most basic fact about any form of social organization is the nature of those relationships, the specific ways in which any given society goes about providing the material conditions of existence.

There came a point in human history when the social organization of material life took the form of class divisions, the divisions between people who labored and those who exploited the labor of others. That division inevitably led to conflict, and since then history, the *Manifesto* proclaims, has been propelled by those class struggles, as exploited classes have resisted exploitation. But while class struggle has been a moving force of history since the beginning of class society, it has taken different forms in different societies. Each particular mode of production, each system of class relations, has its own internal logic, its own requirements, its own conditions of survival and success, its own dynamics, its own forms of conflict and struggle. And capitalism has very specific conditions that, unlike any previous mode of production, demand the constant revolutionizing of productive forces.

In *Principles of Communism*, Engels suggests that history from the beginning has been moved forward by the constant progress of productive forces, especially technological improvement, and that social relations have been compelled to adapt to these developing forces. This conception of technological progress, which owes much to the Enlightenment and to classical political economy, appears in the *Manifesto* too.

But in Marx's version, the emphasis is less on some transhistorical process of technological progress and more on the historically specific effects of particular social relations. His emphasis is above all on the ways in which the distinctive conditions of capitalism, the relationship between an exploiting class of capitalists and a propertyless class of wage laborers, has

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been accompanied by a historically *unique* drive to revolutionize productive forces. Throughout history, there has certainly been a long-term improvement of productive forces; but, as Marx tells us, all societies before capitalism had a built-in tendency to keep production as it was. Only capitalism has broken that universal rule and created new pressures constantly to enhance labor productivity by technical means.

The pressure to accumulate and to revolutionize the instruments of production is rooted in the capitalist mode of exploitation, the means by which capital extracts labor from workers. Capitalists are dependent on the market both to acquire the means of producing goods or services and to sell those goods or services. Even the labor-power of workers is a commodity, which capitalists buy for a fixed period of time in exchange for a wage. Capital then puts that labor-power to work and seeks to obtain the maximum output in limited time at minimum cost. So capital is constantly seeking new techniques, new instruments, new modes of organization and control, to increase the productivity of labor, in order to meet competition in the market. To produce "competitively" for the market inevitably means constant accumulation and profit-maximization. It also means constant change: new technologies, new commodities, new services, new needs, new forms of organization, and new social arrangements.

Marx emphasizes the historical uniqueness of a system in which the provision of virtually all human needs and wants is organized in this unprecedented way, where everything, even the most basic requirements like food and shelter, is produced for a profit. The effects of such a system on human life and social relations, not to mention nature itself, are bound to be drastic and far-reaching. In a few short passages, Marx dramatically conveys the consequences of a system in which everything—not only things, but nature and human activity—becomes a commodity to buy and sell on the market, and where human relations are reduced to "callous cash payment."

On the eve of the twenty-first century, when the commodification of life has gone so far that it is hard to imagine how it could go any further, when everything from food to culture to health care is distorted by market imperatives, we know all too well what this means. We know how destructive these market imperatives can be to the social fabric and the natural environ-

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ment. We know their costs in poverty, in crime, in environmental pollution, in the waste of natural resources and human lives. Yet in Marx's day the process of commodification was far less advanced, and his prescience is truly remarkable.

Remarkable, too, is his insight into the effects of this system on labor. The exploitation of workers, their compulsion to work not only to sustain themselves and their families but to create maximum profits for their employers, is the essence of the story. But there is also the question of what happens to human labor when it is transformed from the exercise of human creativity into just a profit-making activity, or a commodity, whose value lies not in the satisfaction it gives to the worker or in its benefits to the community but in the gains it can realize in the market and in its contribution to capital accumulation.

It should be obvious that work is bound to be organized, and experienced, in different ways according to its purpose. The need to extract maximum output at minimum cost imposes very particular requirements, which inevitably have significant effects on human well-being. Marx describes the degradation of work when it is organized for the sole purpose of maximizing profit for the capitalist owners of the means of production. The effects are most visible where workers become mere "appendages" of the machine in an assembly line, but similar effects occur wherever the maximization of profit is the main motivation in the organization of work. What ought to be a creative and fulfilling activity is more likely to become just meaningless drudgery.

Yet capitalism also has, from Marx's point of view, some positive effects. The bourgeoisie, he says, "has accomplished wonders far surpassing Egyptian pyramids, Roman aqueducts, and Gothic cathedrals." It has "created more massive and more colossal productive forces than have all preceding generations together." Its revolutionizing of productive forces has created an unprecedented capacity to produce the material conditions of well-being for everyone.

But here is another paradox: if capitalism has created unprecedented material wealth, the capacity to maximize material well-being for everyone remains *only* a capacity, not a reality. Capitalism, indeed, *prevents* it from becoming a reality. One of the most fundamental contradictions of the capitalist system is the huge disparity between its "colossal" productive capacity and the quality of life it delivers.

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One obvious sense in which this is true is that capitalist development has been inseparable from imperialisms of various kinds, from traditional forms of colonial exploitation to the current burden of debt in the third world, or the exploitation of cheap third world labor by today's "transnational" companies. The contradiction between capitalism's productive capacity and the quality of life is manifest today in the growing polarization between an opulent North and an indigent South. But the same contradiction is evident within the advanced capitalist economies themselves.

In a system where all production is for profit, the allocation of resources and labor will, of course, be determined not by their contribution to the well-being of as many people as possible but by their contribution to profitability. The society's productive capacities are much more likely to be devoted to producing, say, new model cars every year for those who can afford them, or computers designed to be obsolete as soon as they hit the market, than to providing decent affordable housing for all. So Marx would not be surprised that a society like the U.S., with the capacity to feed, clothe, house, educate, and provide health care for all its members, nevertheless has widespread poverty, homelessness, malnutrition, health care costs that many people cannot afford, and a system of education that leaves many functionally illiterate. Nor is it surprising that, in a society with such built-in inequities, there are deep social divisions, in which, for example, class exploitation and racism reinforce one another.

Capitalism and Socialism

Still, capitalism has produced the *capacity* to maximize material well-being, and in that sense, it has laid a foundation for a different kind of society. Socialism would build on the productive forces created by capitalism, but it would eliminate the pressures for profit-maximization and capital accumulation which cause the disparity between productive capacity and the quality of life.

Capitalism has also, the *Manifesto* argues, created a social force, a class, with the capacity to overthrow capitalism and put socialism in its place. By giving birth to a mass proletariat, Marx maintains, capitalism has brought into being its own gravediggers. But many commentators, even on the socialist left, would now probably regard this as the most questionable assumption

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in the whole pamphlet. It is certainly true that capitalism has created a mass working class, both "blue collar" and "white collar" workers of various kinds who have in common their exploitation by capital. These workers are strategically situated at the heart of a system which depends on their labor, and that strategic location gives them a social power that could, as no other social force can, transform capitalism into socialism. It is also true that working class movements have fought many historic battles, won many important victories, and acted as a revolutionary force in many parts of the world. But, while Western Europe and North America have seen many episodes of mass working class radicalism, and some Western European countries may even have been brought to the brink of revolution, the working class has never yet brought about socialism in the advanced capitalist countries that seemed to Marx and Engels the most likely candidates. The result has been that even many socialists have become skeptical about the prospects for a new society.

We cannot assume that Marx's own optimism about the political development of the working class was quite as unalloyed as it seems in the *Manifesto.* He certainly knew that there were forces dividing as well as uniting the working class, and that much organizational and educational effort would be required to turn the working class into an effective political force. But it was clearly not his intention in a political manifesto to dwell on the obstacles, and the picture is obviously a great deal more complicated than the one he paints in his rousing call to arms.

The prediction that the organization of production in industrial capitalism, together with improvements in transportation and communication, would increasingly unite the working class into a cohesive force has come true in some respects. And no one can deny that working class struggles have achieved major gains which have improved the quality of life for everyone, gains we now take for granted such as a shorter working day and unemployment insurance. But unifying tendencies have also been counteracted, and for the time being overcome, by other forces that *fragment* the working class. Workers are divided by race, gender, and many other "identities," not to mention by the resurgent nationalisms which have defied Marx's conviction that the global economy created by capitalism would be followed by a new kind of internationalism.

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These are not the only factors that divide the working class. Paradoxically, it tends to be fragmented by the very organization of production in capitalism. Capitalist production tends to focus the grievances and struggles of workers on their individual workplaces and against their own particular employers. When Marx suggests that "every class struggle is a political struggle," he undoubtedly means that every class struggle, even in the workplace, and even over purely "economic" issues, is about class power and resistance to domination. But what this proposition does not say is that capitalism has created a distinctive kind of relation between the "economic" and the "political." Capitalism has in a sense *separated* "economic" from political struggles, simply because the "economy" now has a life, and a power structure, of its own. The capitalist market has its own "economic" imperatives; the capitalist workplace has its own hierarchies, authorities, and rules; and the dominant class, unlike any class before it, has economic powers that do not depend directly on political power, even though it ultimately depends on the state to sustain the system of property on which its class power rests. So workers may be, and often have been, very militant in their industrial conflicts with capital without their class struggles spilling over into the political sphere.

The *Manifesto*'s optimism about the coming of socialism has, of course, been contradicted by another, truly spectacular, development: the end, in the 1980s and 1990s, of the system brought into being in the decades following the Russian Revolution of 1917. It is true that the revolution was far from the ideal test of Marx's predictions. Russia was not an advanced industrial capitalism with a mass proletariat, the kind of society that Marx regarded as the right foundation for a socialist transformation. At the time of the revolution, there were certainly pockets of fairly advanced industry and, at least in the principal large cities, a very militant industrial proletariat. At the same time, Russia remained a largely peasant country, and many industrial workers themselves remained rooted in their peasant villages. In these and other ways, the Russian heartland itself would not have met Marx's criteria for an advanced capitalist society—even by the standards of his mid-nineteenth century model, Britain; and if we add what might be called the "third world" regions of the czarist empire, this massive country

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could hardly be said to meet Marx's prerequisites for a transition from capitalism to socialism.

At any rate, what eventually emerged in the Soviet Union was very different from the democratic society Marx envisaged when he talked about a socialism based on the "free association of direct producers." In fact, it should be emphasized that much of what has gone under the name of Communism in the twentieth century has had little to do with what the *Communist Manifesto* meant by the term or with the Communist movement to which Marx and Engels belonged. Even when Marx began to expect some kind of revolution in Russia, he always assumed that a truly *socialist* revolution would have to take place in a capitalist country with more advanced productive forces and a more developed proletariat, a country like Britain or the U.S. Only in tandem with a proletarian revolution in such an advanced capitalist country could a Russian Revolution become a transition to socialism. He seems to have assumed that only well developed productive forces and a mature mass proletariat could direct production toward the fulfillment of the whole community's needs—not for capitalist profit nor for the benefit of any other kind of ruling class, and not controlled from above by an authoritarian state but under the democratic control of the "freely associated direct producers," the workers themselves.

Capitalism had taken centuries to create a mass proletariat and to accomplish even the development of productive forces available in Marx's day. It had done these things with many oppressions, atrocities, and tragedies along the way. Marx never sought, nor has anyone else yet found, a democratic, socialist way of achieving that kind of development. He regarded this contradictory achievement not as the task of socialism but as its precondition.

This is not to deny that the Soviet Union did, in fact, succeed in developing productive forces far beyond what Marx could have foreseen, and with exceptional speed. The point is rather that it would have been very difficult to accomplish such intensive development by means of the democratic organization of production that for Marx was the essence of socialism. To attain that level of development required a process of accumulation which capitalism had accomplished, over several centuries, not by democratic means but by expropriating small proprietors and by exploiting workers to the limits of their

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physical endurance. It would not have been easy to devise a democratic means of achieving comparable results. A truly democratic socialist party, a party very different from the oppressive Stalinist regime, would certainly have avoided the monstrosities of Stalinism. But even the most democratic socialist party, if obliged to administer the process of accumulation and to enforce the kind of intensive labor this required, would have found itself in a very difficult and contradictory relationship with the working class it was supposed to represent.

No one would claim that Marx foresaw what might happen if a revolution in the name of communism did take place in a less developed country. It is even less likely that he could have foreseen the crimes perpetrated by Stalinism in the name of communism. But we should not underestimate the significance of his assumption that a socialist revolution would be most likely to succeed in the context of a more advanced capitalism. In that sense, it could be argued that the ultimate failure of the Russian Revolution, which occurred in the absence of those preconditions, fulfilled his predictions all too well. Yet if that failure has not by itself proved him wrong, the fact remains that, on the eve of the twenty-first century, socialists do not seem to have very much to be optimistic about.

The Manifesto and the Future

But the story is not finished. Nor have we reached the end of what the *Manifesto* has to teach us. There is still much to be learned even from its predictions. Marx has been proved uncannily right about many things, but nowhere has he been vindicated more completely than in his account of capitalist expansion. It is true that he underestimated the durability of capitalism and how long it could keep on expanding. But for all today's fashionable talk about "globalization," it would be hard to find a more effective description of what is happening today than what he wrote 150 years ago. Capitalism has indeed "battered down all Chinese walls" (including the "walls" of "communist" China), creating a global market and compelling "all nations, on pain of extinction, to adopt the bourgeois mode of production." Capitalism has indeed created a world "after its own image."

In Marx's day, that process of "globalization" was still in its early stages. But today capitalist imperatives of accumulation

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and competition really do reach into every corner of the world. Many people have argued that this is the final and irreversible triumph of capitalism. Yet in the face of events like the recent financial crisis in Southeast Asia, in economies hailed only yesterday as "Asian tigers," these triumphalist pronouncements have a somewhat hollow ring. Mainstream economists who usually like to use more benign terms like "business cycles," or "slumps," or "recessions" are uttering the word "crisis" with increasing frequency, and some more pessimistic commentators have gone beyond Marxists in their talk of "collapse." Against that background, the *Manifesto*'s portrayal of capitalist expansion as a deeply contradictory process is rather more convincing than capitalist triumphalism:

> a society that has conjured up such gigantic means of production and exchange is like the sorcerer who is no longer able to control the powers of the nether world whom he has called up by his spells.... It is enough to mention the commercial crises that by their periodical return put the existence of the entire bourgeois society on trial.... In these crises, there breaks out an epidemic that, in all earlier epochs, would have seemed an absurdity—the epidemic of over-production....

And, the *Manifesto* continues, the very methods on which capital relies to overcome these crises are the very methods by which it paves the way for more destructive crises and reduces the means of correcting and preventing them.

Capitalism, for instance, used to escape its internal crises by moving outward, into new markets and colonies. Today, having become a virtually universal system, it no longer has the same scope for external expansion which used to save it from its internal contradictions, so it has become subject to those contradictions in historically new ways. Capital today no longer seems able to sustain maximum profitability by means of commensurate economic growth. It is now relying more and more on simply *redistributing* wealth in favor of the rich, and on increasing inequalities, within and between national economies, with the help of the "neoliberal" state. In advanced capitalist countries, the most visible signs of that redistribution are a growing polarization between rich and poor, and the attack on the welfare state. So it is not just in the occasional dramatic crisis but in its "normal" and long-term development that capitalism has been vindicating Marx's predictions about its contradictory expansion.

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These developments may after all prove Marx right about the effects of capitalism on the political development of the working class. The conditions that led him to his conclusions about the formation of working class consciousness and organization are still present; and the working class, strategically situated at the heart of capitalism, is still the only social force with the capacity to transform it. At the same time, capitalism is evolving in ways that may overcome the factors that have up to now worked against those processes of class formation.

As neoliberal states step up their attacks on social provision and adopt austerity measures to enhance "flexibility," the complicity between the state and "globalized" capital is becoming increasingly transparent. As a result, it may turn out that economic class struggles will indeed move onto the political plane, and that the working class will indeed be unified in new and unprecedented ways. In many countries, labor movements which have been dormant for some time show signs of reawakening. And we have certainly seen many dramatic examples recently of people joining together in the streets—from Canada to Mexico to France to South Korea—to protest "neoliberalism," "globalization," and all the policies that capitalist states today are implementing to maintain the "competitiveness" of their own national economies.

Contrary to much conventional wisdom today, "globalization" has made the state not less but more important to capital. Capital needs the state to maintain the conditions of accumulation and "competitiveness" in various ways, including direct subsidies at tax-payers' expense; to preserve labor discipline and social order in the face of austerity and "flexibility"; to enhance the mobility of capital while blocking the mobility of labor; to administer huge rescue operations for capitalist economies in crisis (yesterday Mexico, today the "Asian tigers")—operations often organized by international agencies but always paid for by national taxes and enforced by national governments. Even the imperialism of the major capitalist states requires the collaboration of subordinate states to act as transmission belts and agents of enforcement. "Neoliberalism" is not just a withdrawal of the state from social provision. It is a set of active policies, a new form of state intervention designed to enhance capitalist profitability in an integrated global market.

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Capital's need for the state makes the state again an important and concentrated focus for class struggle. And the fact that the state is visibly implicated in class exploitation has consequences for class organization and consciousness. It may help to overcome the fragmentation of the working class and create a new unity against a common enemy. It may also help to turn class struggle into political struggle.

Whatever happens, the *Manifesto*'s critique of capitalism and its vision of socialism will remain very much alive as long as capitalism exists. Parts of the *Manifesto*'s political program have been implemented within capitalist society. Child labor in factories has generally been abolished in advanced capitalist countries, though it still exists on a large scale, for instance, in U.S. agriculture, and it is certainly widespread in third world economies—often exploited by "transnationals" based in Western capitalist countries. Progressive income tax is the general rule—though it is under growing attack from the right. In advanced capitalist countries there is free education for all, up to a point—though even this is being eroded now in various ways. Some means of communication and transportation, as well as other enterprises, are, or have been, in public ownership in capitalist societies, and some capitalist countries have state banks.

All this has happened without destroying the capitalist system. In fact, capitalism has been saved from its own destructive tendencies by the public services, the social provision, and the "safety nets" that working class movements in the past have struggled long and hard to achieve.

The kind of public ownership we know today has, to be sure, little in common with enterprises run under direct democratic control, by "free associations of direct producers." For that matter, even public enterprises themselves—not just the means of communication and transportation, but health care and education—can be, and in capitalism are, subjected to the logic of the capitalist market. The objective of today's neoliberal politics is to "privatize" anything that could conceivably be run for capitalist profit—from prisons, to postal services, to old-age pensions. But it has also set out to ensure that every public enterprise, every social service, that cannot be profitably "privatized" will still be subject to market imperatives.

Here, then, is another contradiction: capitalism today, in its efforts to remain "competitive," is destroying the very serv-

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ices and institutions that have often rescued it from self-destruction. But even if neoliberalism does not completely succeed in its wrecking operations, the capitalist system will always restrict any efforts to limit the damage it does to people and nature. It begins to looks as if the logic of the system has now reached the point where the destructive force of capitalism is outstripping its capacity to repair or compensate for the harm it inflicts.

Capitalism will also always restrict the scope of democracy. It can never permit a truly democratic society where there are no oppressed and oppressing classes; where "accumulated labor is but a means to widen, to enrich, to promote the existence of the laborer" and not just to enhance capitalist profit; where reproduction, child care, and relations between the sexes are not deformed by capitalist imperatives; where no nation oppresses another; where culture is free of distortion by the market; and so on. As long as we live under capitalism, we will live in a society where the needs and actions of undemocratic and unaccountable capitalist enterprises, both by the direct exercise of class power and through the "market," shape our social and natural environment and determine the conditions of life for every living being that comes within their global orbit.

Now more than ever it should be obvious, as it was to Marx and Engels, that a society driven by the imperatives of capital accumulation has to give way to a more humane and democratic social order. For such a transformation to take place, the main moving force will still have to be class struggle.

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SPECTRES OF CAPITALISM

by SAMIR AMIN

translated from the French by SHANE HENRY MAGE

For the last century and a half, the spectre of communism has been haunting the world. Like any other spectre it can never be suppressed once and for all, even though it often happens that those fearing its menace are able, for a while, to get it out of their minds. And at each of those times they repeat the same orgiastic spectacle of gluttons falling over each other to grab even more riches, to gorge themselves on even more extra helpings from the table, and to take whatever drugs they hope will relieve their indigestion. They all repeat in chorus the same catch-phrases: "Marx is dead," "History has reached the end of its voyage, and nothing will ever again change," "Here we are, and here we stay for evermore!" Some really believe that their dream world will last to all eternity. Others, troubled despite everything by a slight inquietude, look around themselves and murmur, "We really have to do *something* for everyone we keep away from our party: perhaps we should hand out some scraps from our feast to those poor souls." Meanwhile, among the innumerable victims there are those who cry over their fate, those who take refuge in ever-repeated tales of their glorious struggles in the past but who understand nothing of the causes for their recent defeats, and those who resign themselves to

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their condition and think, "God is with our enemies, there is nothing to do but hope for a softening of their hearts while we huddle at the fence over which they toss their leavings." But there are also some who calmly call for a meeting of those who can analyze the new situation, take the measure of the strengths and weaknesses of both camps, understand the challenges confronting their peoples, and in this way prepare for tomorrow's struggles and victories.

One hundred fifty years after the *Communist Manifesto* was put forth, we are once again in one of those moments when the gluttons hold their orgy. But this momentary triumph of unrestrained capital is not accompanied by a brilliant new expansive surge for capitalism but by the deepening of its crisis! Thus, the boundless appetite of capital, given full scope by the momentary weakening of its adversary class, in fact shows explosively the absurd irrationality of this system. The inequality that it promotes undermines its possibilities for expansion. It expands consumption in a distorted manner by favoring wholesale waste by the rich, but this in no way compensates for the poverty to which it condemns the majority of workers and peoples, who become ever less successfully integrated into its system of exploitation. So capitalism, by its very logic, reduces them to a marginal status and settles for mere crisis management, which it can do just as long as the social power of its adversaries is not reconstituted. This paradoxical victory of capital giving rise to its prolonged crisis is only apparent if we cool off by reading the *Communist Manifesto* and recall to our memory the plain reason for this: capitalism is incapable of overcoming its fundamental contradictions.

To destroy the conquests of the working classes, to dismantle the systems of social security and employment protection, to return to poverty wages, to bring certain of the peripheral countries back to their outmoded status as providers of raw materials while limiting the opportunities of those who have become relatively industrialized by imposing the status of subcontractor on their productive systems, and to speed up the squandering of the resources of the planet: such is the program of the currently dominant forces. This permanently reactionary utopia expresses the deepest desire of the gluttons whose arrogant self-affirmation bursts out all over at historical moments like our present one.

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The critique of current intellectual fashions that I put forth in this contribution to the sesquicentennial of the *Communist Manifesto* will accentuate the nullity of this reactionary utopia.

In the first place, its scientific nullity, nullity of this "pure economics" which claims for itself the title "neoclassical," even though it stands at the opposite pole from the method of classical economics and which applies itself laboriously to the task of proving what can never be proved: that markets are self-regulating in a way that produces a natural, general equilibrium which is the best possible for society. Marx, free from the morbid preoccupation of bourgeois ideologies (which is to legitimize capitalist society through declaring it definitively unsurpassable, the End of History) reminds us simply that to believe in a natural equilibrium governing society is to believe in something absurd, which can be sought only in blind alleys. In place of this false question Marx poses the real task, which is to analyze the contradictions of the system, those which define its historical limits. A rereading of the *Manifesto,* in today's world, makes apparent immediately and convincingly the superiority of Marx's century-and-a-half-old analysis. It remains closer to today's reality than all the neoliberal effusions of an economics that goes whichever way the wind blows. And that empty economics has its pale complement in the enfeebled social and philosophical theses of "postmodernism," which teach us to be happy and to cope with the system on a day-to-day basis, while closing our eyes to the ever more gigantic catastrophes which it is cooking up for us. Postmodernism thus legitimizes, in its own way, the manipulative practices required of political managers for whom democracy must be reduced to the status of a "low intensity" activity even as it treats the attachment of a society to its own identity as something neurotic, empty, and impotent.

This contribution is likewise offered in the hope that, starting from this analysis of the weaknesses of our apparently triumphant enemy, we will size up what is objectively required for a humanist answer to the challenge. This answer, today, takes on an even more pressing necessity than it did one hundred fifty years ago. The socialization of labor, on an immeasurably greater scale than in 1848, has put on the agenda the withering away of the law of value. Capitalism's short-run rationality, by its incompetence to put forward acceptable means for managing the future of our planet, is now producing destructive effects

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unimaginable a century and a half ago. Since the time of the *Manifesto*, polarization on a world scale has taken on a scope unparalleled in all previous history. This forces us, in looking to reconcile the universalist dimension of the human enterprise with respect for the diversity of the peoples undertaking that enterprise, to do so by means surpassing those that bourgeois thought has been able to conceive and by methods that go outside the logic that sets what bourgeois thought accepts as practical.

These questions, old ones, though rephrased by the challenges posed by their historical development, ask that we do not reread the *Manifesto* as if it were a sacred (which to me means dead, even embalmed) text. Rather, the spirit of this text, which was so far ahead of its time that whole paragraphs of it can be quoted as if written yesterday, must be an invitation to us to continue its still unfinished task.

History has proven that capitalism, like all social systems, is able at each stage of its expansion to overcome its own permanent contradictions, but not without worsening the violence with which they will be experienced by succeeding generations. This is not at all foreign to the Marxian spirit, which I express in the proposition that the human enterprise remains underdetermined, that it is not foreclosed by some necessity that is tied to the development of either the productive forces or any other metasocial force. More than ever humanity is confronted with two choices: to let itself be led by capitalism's unfolding logic to a fate of collective suicide or, on the contrary, to give birth to the enormous human possibilities carried by that world-haunting spectre of communism.

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WHY WE NEED A NEW MANIFESTO

by DANIEL SINGER

We need a new manifesto. Not a blueprint, not a detailed program. But a project, the vision of a different society, the proof that history has not come to an end, that there is a future beyond capitalism. We need it badly because its absence is the main weapon of our enemies. The nickname of Maggie Thatcher, TINA (There Is No Alternative) is the foundation on which their mighty propaganda machine rests. I shall illustrate this by an analogy.

Thirty years ago, 1968 was the year of youth rebellion from Berkeley to Tokyo, highlighted by the French students and workers rising in the merry month of May (a reminder, incidentally, that everything was far from perfect in the so-called "golden age of capitalism"). Still, the system did survive, and it is amusing to remember that, at the time, it was not defended on the ground that there is no alternative. Capitalism, it was argued, had found the secret of eternal growth. Why abolish a society which has managed to get rid of its worst calamities, in which the harsh laws of the market have been replaced by Keynesian fine-tuning and the long lines of the jobless by the social protection of the state? How strange it all sounds. Today nobody is trying to talk about "capitalism with a human face." We are plainly back to the laws of the jungle, which we must just accept because, allegedly, there is no way out. And this is why it is crucial to resurrect a project, a vision, an alternative.

I will not have the cheek, the chutzpah, to pretend to produce the solutions. But I will dare to venture, inevitably in shorthand, the issues that, in my opinion, the western left must tackle and solve if it wants to be, once again, historically relevant.

The above talk was given at the 1998 Socialist Scholars Conference.

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First we must deal with the problem of the allegedly vanishing work. We are living in a society in which our technological genius, translated into higher productivity means either bigger unemployment or greater polarization with the so-called working poor. Marx's suggestion that "the theft of somebody else's labor time" is a miserable foundation to calculate our wealth—which we should measure by disposable time not by labor time—is so much truer today than it was 150 years ago. We have the technological means to live differently. If output were determined not by exchange value, or the weight of your purse, but by social need democratically decided by the people, we could keep growth within ecologically tolerable limits, eliminate unemployment and reduce the working week. Indeed, in the advanced capitalist countries, we could start reducing heavy, dangerous and dreary work, thus gradually removing the frontier between labor and leisure.

Globalization is the second item and here we have a double task. On one side, globalization is being used as a substitute for TINA to convince people of the vanity of their struggle. We must therefore remind them that the nation state is still the terrain on which the struggle for the radical transformation of society must begin. Or, if you prefer to put it in the terms of the *Manifesto*, "the proletariat of each country must, of course, first of all settle matters with its own bourgeoisie." But this is only half the story. Socialism, like capitalism, tends to be universal, and internationalism is the only genuine reply to globalization. It is an immediate categorical imperative for the labor movements of the different countries of the European Union. But it must be revived all over. The final confrontation will take place throughout the planet, from Paris to Peking and from Seoul to Seattle.

The third issue is equality. We are living in a world, in which the wealth of its 447 dollar billionaires exceeded in 1996 the income of half of the world's population. These fantastic discrepancies are not only international. A currency speculator living in New York earned in a few weeks what it would have taken an American in a minimum wage job 150 thousand years. And the polarization is increasing. In such a society egalitarianism—not charity, not equity—but a genuine search for equality must figure at the heart of any progressive project.

Such a search implies a great deal. It implies the end of exploitation. It means that we cannot live at the expense of the so-called Third World. It means that we have to attack the very

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roots of one of the oldest exploitations—that of woman by man. Egalitarianism is not—as they tell you—leveling, uniformity, but it is an attempt to eliminate the social roots of inequality. As such it will involve profound changes in property and power relations. Which brings us to the fourth item—democracy.

Last but not least. Democracy is crucial not only because of the crimes committed in the name of socialism which make it imperative to prevent any repetition. It is also crucial because, for us, it is not just using your ballot every four years to choose between Tweedledee and Tweedledum. It means people gaining mastery over their work and their fate in the factory and in the office, in the shops, labs, and campuses. It must mean power flowing from below and yet decisions being taken not only at the local level. We must reinvent democracy if we want socialism to spell the self-management of society.

If the movement goes in that direction, it will be on its way to what I call realistic utopia. Realistic because it has its roots in the real social and political struggles of today. Utopian, because our enemies call utopian any effort to move beyond the confines of capitalism and we shall take their insult for a compliment and a challenge.

In even shorter shorthand, let me make three final points. Firstly, if we are talking about a fundamentally different society, we are not suggesting that we shall get there overnight. This is not a recipe for instant socialism. We know that we have a long march ahead, but we can only get going if we have the vision of a radically different society, a vision that will be changed and elaborated as the movement learns, one which becomes more conscious as it advances.

Secondly, the fact that it will take a long time does not mean that we have plenty of time to start moving. With popular discontent rising, if we don't provide rational, progressive solutions, there are plenty of people waiting in the wings with irrational and reactionary solutions. From France, where I live, and where the xenophobic National Front of Jean-Marie Le Pen has gained another percentage point, I bring you the warning that the ghosts of the past are not buried forever.

Finally, all this is not some particularly Parisian, European preoccupation. Even if we may seem somewhat ahead, this is part of our common struggle. And this is why I shall end with the slogan of the French winter of 1995, that winter of discontent that has given a new impetus to the movement: ouais, ouais, tous ensemble, tous ensemble.... All together, all together, let us get going as soon as we can, on both sides of the ocean.

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COMMUNISTS AND WORKERS IN EX-COMMUNIST EUROPE

by PETER GOWAN

The return to power of ex-Communist Parties in a number of East Central and East European countries in the mid-1990s came as a shock to many in the West largely because they had failed to notice the strength of the Communist electorate in the region during the so-called revolutions of 1989-90. In all the countries of East Central Europe, the formerly ruling Communist Parties emerged from the elections in 1989-90 as the dominant parties of the Left. In six of these first elections they gained the largest vote of any party. And eight years after the beginning of the transition to capitalism, the ex-Communist parties remain the dominant parties of the Left in all the countries of the region except two.

The official unions of the State Socialist period have also emerged as the dominant trade union confederations during the transition to capitalism. They have done so despite concerted efforts on the part of governments of the Right and of Western bodies like the ICFTU and the AFL-CIO to weaken them. In Hungary, the main trade union center, MSzOSz, retained some 3 million of its 4.5 million 1988 membership in 1991. The Polish official unions, OPZZ, emerged with 4.5 million members in comparison with Solidarity's 2.3 million members. The same pattern emerged in Czechoslovakia where the official federation, CSKOS, predominated.

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In Bulgaria the official unions faced the most serious challenge with the emergence of an initially strong new union center, Podkrepa. But this challenge also later faded. After rising from about 350,000 at the end of 1990 to over 600,000 at the end of 1991, Podkrepa's membership declined to about 225,000 by the start of 1993. The old official federation's membership also declined, from 3 million at the end of 1990 to 2.5 million at the end of 1991 and only 1.6 million at the end of 1992, but its dominance within the trade union field was maintained. In Romania, the official unions also remained the strongest although they fragmented into competing centers in the early 1990s. And the former official trade unions also remain dominant in the ex-Soviet republics.

There was thus a substantial trade union constituency remaining in these organizations to be won by parties of the Left if they were prepared to orient towards it. But though still organizationally strong and electorally influential the former Communist Parties and the trade unions are facing extremely difficult problems. This is, of course, partly a result of ideological disarray following the collapse of state socialism. But the main reason is the catastrophic socio-economic problems facing the mass of ordinary people in the region, the impoverishment and humiliation of tens of millions of people suffering the consequences of so-called "economic reform," and the lack of instruments available to the region's labor movements for tackling these problems.

After a brief survey of the continuing support for the left in these countries, we will look at the various ways in which they have tried to respond to the arrival of capitalism.

The Continuing Strength of the Left

The widespread idea in the West that Communism had no significant popular support at the time of its collapse was simply the result of Western ideological preconceptions. The available evidence suggests that there remained a socialist electorate of at least 25 to 30 percent or more. Even in Poland and Hungary, where Communism had always been historically weak, support for the Communists remained significant in the late 1980s. Opinion surveys during the 1980s in Poland, Hungary, the Czech and Slovak republics, and the GDR showed that sizable minorities of the population supported the ruling parties. Such

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surveys also demonstrated that substantial numbers held socialist social values, particularly a commitment to egalitarianism and nationalized property.[1]

If, then, there was a core socialist electorate of 25 percent or more at the time of the regime collapse, the strong showing of these parties during the first part of the 1990s as the strongest parties on the Left is scarcely surprising. Indeed, the puzzle is why these parties did not do much better than they did in the first post-1989 elections—why their votes were lower in the GDR, Poland, Hungary, and the Czech and Slovak republics, than polling evidence from the 1980s would have suggested.

One explanation could be that erstwhile Communist supporters were temporarily swept up in the wave of enthusiasm for a transition to capitalism in 1989-90 and switched their support to the parties of the free-market right. This does seem to have been an important factor in the GDR elections of March 1990. Polling in early 1990 showed over 60 percent of the GDR electorate holding social democratic or socialist political and social opinions, and yet Kohl's campaign promises swung a big majority for the Right precisely in the traditional social democratic Saxon strongholds, leaving the PDS with only 16.3 percent and the SPD with only 21.8 percent.

But this effect does not seem to have been very significant elsewhere. In the 1989 Polish elections, less than 50 percent of the electorate, voted for Solidarity: the turn-out in this first competitive election was low, with high levels of abstentions. Parties of the center and Right in Hungary also failed to gain support from over 50 percent of the electorate and the party calling fairly explicitly for free market capitalism, the Alliance of Free Democrats, gained only 21 percent of those who voted. In Czechoslovakia, the Civic Forum did not campaign on a free market program in the 1990 elections.

A more likely explanation is that the post-Communist parties' support went down in 1989-90 because their earlier supporters in large numbers decided not to vote at all. This explanation is reinforced by the fact that the post-Communist parties that gained the smallest percentage of the vote were those of Poland and Hungary—the two countries where electoral participation was lowest. In Hungary, only 58 percent of the electorate turned out, and the figure was roughly the same

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in Poland—hardly, by the way, a sign of a popular revolution for "freedom" against "totalitarianism".

The high abstention rate in Poland and Hungary suggests another puzzle: why was it that in the only two countries where the ruling Communist Party leaderships took autonomous decisions (in February 1989) to move towards pluralist democratic political systems, the Communists performed worst of all the Communist parties in the region? If the great issue of these elections was freedom from "totalitarianism", why did these two parties perform worse than the two parties that resisted democratic change—the East German and Czechoslovak parties?

This points to the possibility that the poor performance of the Polish and Hungarian parties had nothing to do with freedom versus totalitarianism, but was linked to another feature that distinguished these two parties from the Czechoslovak and East German parties: the fact that their party leaderships had for some years been vigorously promoting policies which tended to contradict the socially egalitarian ideologies of their parties, policies of increasing marketization and increasing social differentiation, with increasingly negative effects on those sections of the population in whose name they ruled. In contrast, such policies were not being promoted by the Czechoslovak and East German parties whose economies were more successful under centralized planning.

Meanwhile in what, in a broad sense, may be called the Balkans, the post-Communists tended to emerge from the first elections as the strongest parties. This occurred in Romania, Bulgaria, Serbia, Montenegro, and later Albania. These initial successes were not momentary: these parties retained strong support even if they were, in Bulgaria and Albania, subsequently to go into opposition.

The pattern of political change was different during the Soviet Union's collapse. The August 1991 coup and countercoup resulted in the banning of the CPSU and various republican communist parties. They were therefore initially marginalized from political life. But when they were again able to operate openly in Russia, Ukraine, and Belarus they quickly established themselves as the largest parties in their states.

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The Attack on Labor

But, despite all the remaining support for parties of the left, such parties face monumental problems. The single most important political fact throughout the region in the 1990s has been the disastrous conditions in which the great majority of working people have been forced to live. This has inevitably had major consequences for their self-confidence and for the possibilities of organization and resistance.

The break-up of Comecon, followed by the collapse of the USSR, caused a trade breakdown and consequent economic depression throughout the region. This situation made all the governments of the region dependent on the West for trade and finance. The G7 governments then, through the international financial institutions (IFIs) and the European Union, made access to Western product and financial markets dependent upon governments in the region taking two critical steps: first, proletarianizing labor by massively cutting its purchasing power and by making it dependent upon a capitalist labor market (unemployment and jobs being dependent upon criteria of private profit); secondly, rapidly transforming their political economies in ways that made governments dependent upon future Western support, especially as a result of slump-induced fiscal crises, as well as trade deficits and debt servicing obligations.

The drive to proletarianize labor characteristically involved three steps: first prices were liberalized and state subsidies for necessities were removed, while wages were frozen. This led to sudden cuts in living standards of between 25 percent and 45 percent. Secondly, the deep market collapse undermined the revenues of state enterprises while government policies were designed to make borrowing by enterprises virtually impossible. Thirdly, therefore, enterprises were under enormous economic pressure to lay off employees—a key objective in the move towards a capitalist labor market as far as the IFIs were concerned.

The social attack on labor was most sudden and severe in those sectors most connected to intra-Comecon trade—often the most technologically advanced sectors in East Central Europe but most seriously in Bulgaria which had been deeply linked to the Soviet economy—and in those countries where anti-Communist governments were first appointed: particularly in Poland, Czechoslovakia, Hungary, and Russia.

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Labor's Resistance and the Failure of Proletarianization

In these conditions, labor has had to find modes of resistance quite different from those more familiar in advanced capitalist countries. Because of the historically unprecedented scale of the slump across the whole region in the early 1990s, involving, typically, a drop of industrial production of about 50 percent, resistance through Western-style strikes for economic demands had little rational meaning: big enterprises were facing bankruptcy because of collapsed markets.

Therefore, the first forms of resistance were concentrated upon trying to defend the state socialist forms of social relations within the state enterprise sector and forming labor-management alliances at enterprise, sector, and even national levels to defend the countries' industrial assets and the labor forces attached to them. Workers were prepared to absorb income losses provided that they could block massive lay-offs.

Under state socialism, links between workers and management had often been strong—through the nature of the planning system, which encouraged management to hoard labor and to avoid labor disputes, through communist party organizations, through pay and trade union structures and a strong common culture of worker security. This meant that labor-management alliances were widely successful, at least in the initial phase of the slump. Where such corporatist strategies were impossible, as in the former GDR, employees turned to hunger strikes and protest marches in desperate efforts at resistance.

Almost nowhere did the pure concept of proletarianization work: in other words, enterprise managements did not shed large quantities of labor in order to make their enterprises immediately profitable. During the shock, few workers in state enterprises were laid off. Unemployment grew mainly through a complete end to new recruitment. At the same time, many went into retirement, especially those working over the permitted retirement age.

On the other hand, labor did experience a sudden, massive loss of purchasing power which was very easy to achieve through state action because of the nature of consumption under state socialism. Since a very large part of consumption under the old regime was non-monetized, the wage made up only a small part of workers' means of subsistence. Massively subsidized housing, fuel, transport, and food made up the bulk of employee living

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standards. Thus, ending these subsidies while freezing wages involved an enormous shift of wealth out of the hands of labor and made labor suddenly overwhelmingly dependent upon the wage relation.

The failure of the initial proletarianization drive was most complete in the former Soviet Republics. Here the creation of capitalist wage dependency was rarely achieved. Enterprise managements widely refused to implement the project. There were two main reasons for this: first, the social influence of labor was too strong because of the radical differences between the Soviet enterprise and capitalist institutions of the same name; and secondly, because managements developed alternative strategies for capital accumulation outside the existing enterprise production systems.

The managerial class of the former Soviet Union (FSU) looked for alternative ways of accumulating capital, bypassing the problem of reorganizing social relations at the level of the existing state enterprises. Creating networks among themselves, managers could hope to achieve accumulation essentially through pillage, trade, and capital flight, largely illegal and closely connected with political influence. These networks have not been centered on the enterprise structures so much as on political networks, often with regional political bases and/or involving political clans that grew up within the CPSU.

In Belarus, the networks seem to have been centralized at a republican level and involve functionally differentiated clubs (known as English Clubs). In Ukraine, the most powerful network is that based in Dnepropetrovsk (from where Kuchma comes), but another network has been centered on the old pre-independence leadership of Shcherbitsky. There are also increasingly powerful Russian-based networks in Ukraine.

The operations of these networks have very little to do with industrial capitalism. Thus, in the FSU the social transformations are not mainly towards the rapid emergence of state-created industrial capitalism at all. Instead the state socialist industrial structure is to a very large extent collapsing and being pillaged, with the result that very large parts of the population are reverting to subsistence agriculture and petty trade and production. In Ukraine about 45 percent of food consumption is now outside all market exchange, and at least a third of large and medium-sized enterprises play no economic role whatsoever de-

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spite continuing as legal entities. Other enterprises that do continue to function at some level do not do so on a capitalist basis.

Thus very large numbers of workers attending these enterprises are not paid wages. In Ukraine at present wages for workers at large and medium-sized enterprises are running on average six to nine months in arrears. On the other hand workers attending the enterprise on a daily basis get their main meal there, and enterprises often have their own farms for sourcing their food supply.

Alongside the great energy and minerals enterprises of Russia, the main forms of capitalism in the FSU seem to be commercial capitalism, especially export and import operations. Exports take a largely predatory form outside the energy and minerals sectors: acquiring and selling materials and assets left over from the Soviet period.

This situation, of course, is of questionable value to workers, but it does suggest that the implantation of capitalism, especially in the FSU, has been far from successful and that the social power of labor has played an essential role in blocking it. The strength of labor's influence derived from the entire nexus of social relations in Soviet enterprises. These were typically not only economic organizations but also housing departments, health centers, food shops, childcare institutions, food producers and restaurants, pubs and entertainment centers. To shed these roles in order to turn labor's relation to the enterprise into principally a wage relation was politically impossible for most enterprise managements. This explains why, for example, in the face of the Gaidar shock, very large numbers of enterprise managements formed alliances with their own employees in defense of the old system of social relations. This was also largely true in Bulgaria and in Romania.

By contrast, in Poland and especially in Hungary, market socialist reforms in the 1970s and 1980s had prepared the way for enterprises operating along capitalist lines. The tendency towards the quasi-autarkic enterprise of the Soviet type was generally far weaker in these countries, and in Hungary in particular workers' consumption was already far more monetized. The Czech case, on the other hand, is interesting in that the consumption shock was deeper than that in Hungary, but at the same time there was minimal unemployment. Unemployment levels in the Czech republic were only 2.6 percent in 1992

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and 3.5 percent in 1993: more in line with FSU levels (of between 1 and 2 per cent) than with those of Poland, Hungary, or Bulgaria of 12 per cent or more at a similar stage of transition. The Klaus government was prepared to allow the whole structure of industrial social links to remain largely intact, provided that there was a shift in income from employees to enterprise accounts.

The Politics of Labor Resistance: the Democratic Backlash

The attempts to resist through corporatist labor-management alliances at industrial level were combined, of course, with a search for political levers for resisting, either through the incumbent government or through opposition political parties likely to support the demands of labor.

In both Romania and Bulgaria the former Communists retained power in the first elections. The result in Bulgaria was that throughout the period from 1990 to 1996 a strong link developed between labor-management alliances in the state industrial sector and the Bulgarian Socialist Party, which was in government most of the time. In Romania there was to start with a similar pattern, but the Iliescu government after 1993 turned increasingly to a kind of state capitalism involving strong government-management alliances but with increasingly weak, fragmented and uninfluential trade unions.

In Poland, uniquely, the first government was widely perceived to be both anti-Communist and pro-labor and employees in the large enterprises initially expected that the government would hand ownership of the state enterprises over to the workers in those enterprises. But the government, pushed by the IFIs, had no intention of doing this and pursued a consistently anti-labor drive. As a result, the worker base of Solidarity broke bitterly with its leadership, was prepared to form alliances with the formerly official Communist trade unions of the OPZZ and switched their support to the former Communist Polish Social Democrats.

In Hungary the first government (the Democratic Forum), though on the Conservative right, was not a champion of neo-liberal ideologies and it gained electoral support from labor. But this declined dramatically by 1994 as labor switched in large numbers to the former Communists in the Hungarian Socialist Party. And in Hungary as in Poland labor management alliances were much weaker than in other countries of the region.

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In Slovakia under Meciar an effort somewhat similar to that in Bulgaria was attempted: an alliance between management and labor in the big state enterprises. But this alliance was cemented at a political level through nationalism, under non-socialist leadership.

In the Czech Republic the first government was ideologically as committed to neo-liberal ideas as the Solidarity leadership in Poland. Yet the bargain it offered to the Czech industrial workers was largely accepted: in return for workers accepting a large drop in purchasing power (greater than that in Hungary) the government continued to offer the employees and managers in the large enterprises a secure framework for the future. The entire nexus of social, industrial, and administrative links in the industrial sector was maintained and supported by the government even while the government moved to formally privatize the whole sector into the hands of (mainly publicly owned) banks. In these conditions, the electoral support for the Czech Communist Party stagnated, a Western-oriented social democratic party became—uniquely in the region—stronger than the former ruling party, and the Klaus government won elections for a second term.

Only in the ex-GDR was labor too weak to establish significant labor-management alliances and to find a credible political lever for defending the region's industrial assets and labor force. The West German trade unions came into the region, marginalized the former Communist trade unions, and accepted massive lay-offs and closures. In such circumstances, the East German workers had to resort to protest marches and hunger strikes in efforts to save their livelihoods, while at the same time turning back towards the former Communist PDS as their electoral hope.

Lithuania was actually the first country where the former Communists came back into power, and here there was both a strong labor-management alliance in state enterprises and a link-up with the Socialists at an electoral level. In Russia, the response was a kind of democratic backlash. It was democratic not in the corrupted sense adopted by the so-called "democratic forces" which have led the drive to "economic reform" and suppressed opposition (a redefinition of "democracy" which has discredited the word among *truly* democratic forces). On the contrary, the democratic backlash took the form of a popu-

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lar, constitutionalist opposition to forces of that so-called "democratic" kind. The Communist Party was banned while the backlash developed strongly in 1993, and it was expressed first within the Yelstin camp through the Khasbulatov-Rutskoi leadership of the Russian parliament. At the same time, the labor-management alliance in the industrial sector was stronger and "purer" in Russia than anywhere else and was expressed most articulately by Volski's Civic Union.

In Ukraine the labor-management alliance expressed itself first in the rise of the Ukrainian Socialist Party, formed after the banning of the Ukrainian Communist Party in 1991, and then, later in the reformed Ukrainian Communist Party, but it was also strongly expressed by the Presidential challenger, Leonid Kuchma, who represented the politics of a management-led manager-worker alliance based in the big enterprises.

Very generally these industrial alliances formed by the post-Communists also had allies from the countryside: in Poland, in the form of the Communist era Peasant Party, and in Bulgaria and the former Soviet Union as various agrarian political groupings combining collective farm management with peasants under the leadership of the managers.

In most countries of the region, therefore, industrial workers were able to respond to the pro-capitalist onslaught through both initial industrial alliances and/or through democratic backlashes led by the former Communists. But in three countries that strategy was not possible: in the former GDR, because the PDS was too weak in an all-German context; and in Russia and Albania because the state chose to confront and try to crush the democratic backlash rather than absorb it.

In Russia, instead of accommodating the democratic backlash via elections, President Yeltsin chose to crush it in the summer of 1993, by breaking with Russia's constitution (and supreme court) and ordering the disbanding of the Parliament. The leaders of Parliament then sought to gain Yeltsin's removal and were subjected to a military siege of the Parliament building and subsequent arrest. A new constitution was introduced and elections were held leading to the rapid rise of the Communist Party of the Russian Federation (CPRF) as by far the most powerful political party in Russia.

In Albania, the Berisha leadership chose electoral fraud and repression against the former Communist Albanian Social-

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ist Party (imprisoning its leader) along with fraudulent pyramid credit scams. When the latter collapsed there was a full-scale national uprising, followed by Italian-led military intervention and the formation of a new government under the Socialists.

Some Conclusions

We can draw some general conclusion from these developments. It is possible to classify the current post-communist parties into three main trends for the purposes of analysis, even though only one of these trends has a self-conscious, group identity. First there is the West European Social Democratic trend, which has been heavily influenced by the path taken by the Italian Communist Party. The Polish and Hungarian Socialists are the most prominent examples of this trend. Their leaderships accept integration into the EU and NATO and the promotion of a fully-fledged capitalist system. At the same time, they tend to support political liberalism, secularism, and constitutionalist values, unlike many currents in their countries on the supposedly center-right of the political spectrum. In principle, they also support the preservation of a welfare state and of some continuing role for the public sector even if, in practice, the Hungarian party leadership in particular has tended to cave in to the IFIs almost all the way down the line. But all these parties have sought to present themselves as champions of trade union rights and have sought to appeal for support to the trade union federations. And they contain critical currents with some Marxist culture in the left-wings of these parties.

A second trend could be described as broad-church Socialist Parties, which combine Western style social democrats with more Marxist trends supporting a large, continuing state sector and even central planning in their leading echelons. Examples of these parties are the Bulgarian, Albanian and Ukrainian Socialist Parties. The German PDS could also be included in this category.

Other parties can be loosely grouped together on the grounds that they have sought to defend at least some collectivist social structures through nationalist anti-Western resistance. Elements of the Slovakia post-Communist Left, the Serbian Socialist Party, the Iliescu Social Democratic Party in Romania, and above all the CPRF in Russia broadly fit into this category. They do, however, differ in many ways. For one thing, their respective nationalisms are not equally virulent and xenopho-

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bic. For another, the CPRF is more committed to legality and constitutionalism than the Romanian or Serbian parties. And the Iliescu party is formally seeking membership of the Socialist International, something that the other parties in this category do not contemplate.

The major question for the left internationally is, of course, the direction of the CPRF. It is not a homogeneously nationalist party, but the Zyuganov leadership dabbles in semi-mystical nationalist rhetoric and makes the distinction between patriotic and traitor elements within Russia the governing division in the country—more central, for example, than the division between capitalism and socialism. He thus welcomes support for patriotic capital and presents the predatory power of the IMF as the main enemy facing Russia (although, in reality, the IMF has had far less leverage over Russia than over any other country in the region).

Finally, the Czech Communists, along with some other smaller Marxist parties in the region, have sought to continue a tradition of Marxist politics and to develop their links with West European Communist Parties such as the French CP, Communist Refoundation in Italy, and the Spanish Communist Party. The Czech Communists have repudiated the idea of the one-party state but have had the will to attempt to set out on the long march to rebuild the European Marxist working class movement.

Keeping in mind these differences among the various parties, we can draw some general conclusions from their common experience. A decade of capitalist expansion into the former Soviet Bloc has revealed that throughout the region very large parts of the population have remained strongly attached to socialist values and that large minorities have remained loyal to the political movements of the Left that emerged from the former ruling Communist Parties. The decade has also revealed that attachment to the old single-party political system on the part both of the population and of the former Communist Parties was minimal. All these parties quickly repudiated the single party system and supported pluralist democracy.

Indeed, an objective account of political evolution in the region would show that forces for democracy in these regimes are more likely to be found in the former Communist parties than in the so-called "democratic forces". These parties have, often alone, given voice to the value-attachments of the majority

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of the electorates, and, in the great bulk of the countries, they have championed democratic rights and freedoms.

In those countries where former Communist Parties have espoused nationalist themes their record is rather different, notably in Serbia vis a vis the Albanians and in Romania vis a vis the gypsies and, to some extent, towards the Hungarian minority. But these have been exceptions to the general pattern of the region as a whole.

Another central lesson of the experience since 1989 has been the extraordinary difficulty for all labor movements in the region to produce an effective socialist policy in conditions where, on the one hand, the entire regional division of labor has been shattered and where, on the other hand, a substantial minority of the population—about 20 percent-25 percent—is fully committed to and mobilized for a rapid transition to capitalism. The disruption of the regional trade and payments links made all these economies desperately dependent upon Western product and financial markets. And the pro-capitalist social groups, which included most of the intelligentsias, produced a powerful social linkage with the Western international financial institutions. This linkage was greatly strengthened by the very rapid transfer of media ownerships in many of these countries to Western proprietors at the very start of the transition.

In some countries, the socialist parties have played a crucial role in moderating the effects of the social shock. Without their mediating role via elections, there might have been social explosions as occurred in Albania. In this and other ways, they have helped to carry forward the transition to capitalism. In other countries, the socialist parties did see a third path of continued social ownership along with democracy but they were defeated, as in Bulgaria, by the country's external vulnerability. In many cases, there is a danger that despairing sections of the population will turn towards authoritarian populist trends. The labor movements will face the task of rallying *truly* democratic forces both against the continuing catastrophe of "economic reform" and against authoritarian currents that might appropriate popular resistance.

NOTES

1. This section is based on Peter Gowan, "The Passages of the Russian and Eastern European Left," *Socialist Register* 1998. Details of the opinion surveys can be found there on pp. 129-30. The article also contains more detailed information about the development of the various Communist parties.

Other notes and references can be obtained from the *Monthly Review* office.

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WHAT GOES AROUND COMES AROUND

by ELLY LEARY

When I was asked to write on the history of May Day, I took a big gulp. Having never been taught about May Day in either school or college, I had to do some reading. Oh, I knew the basic one sentence, isn't that when they hung those guys in Chicago for throwing a bomb? Clearly that wouldn't be enough of a speech, nor is it in fact the real story. So after all my digging, I'm going to start with my conclusion: as the old saying goes, "What goes around comes around."

May Day, the left-wing version of Labor Day, has its roots in 1880's in the demand for shorter work days. The parallels between the events of 1886 and today are both startling and unnerving. The country was undergoing profound economic change as the Second Industrial Revolution took hold. In a ten year period between 1880 and 1890 capital investment in manufacturing grew threefold. The death of small-business capitalism was giving way to trusts, mergers, and monopolies. Steel production went from half of England and France's to outstrip them both and provide a third of the total steel production in the world. The workforce grew dramatically, from 2.7 million to 5.9 million. This was the period when those huge factories sometimes employing 10 thousand or more workers were built.

It was the Gilded Age and robber baron capitalism. While the rich lived in splendor (ever been through their castles in Newport, Rhode Island?), things were terrible for the vast

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majority of working people (railroad and food workers, factory hands, miners, textile, clothing and shoe workers, clerks). The trusts, the monopolists, and the wealthy justified their position through social Darwinism. This was an ideology particularly suited to the robber barons' needs. Much like today's right-wing ideology, it held that "Poverty is only a proof of indolence and vice. Wealth simply shows the industry and virtue of the possessor." No need to be concerned about the poverty of the vast majority, it was their fault.

The country was just showing signs of recovering from the financial crisis of the 1870's which had touched off such widespread riots and strikes that it became known as the Great Uprising. Nine years later unemployment still hovered around 20 percent. Wages, which had declined 15 percent from 1882-1886 alone, were finally beginning to stabilize. The average workweek was six days, twelve to sixteen hours a day. Child labor and company stores, especially in the South, were common. Working conditions were horrendous (mind you, the Triangle Shirt Factory was still in the future). Injury rates were rising. Boycotts, the main weapon of the working class, were only slightly more successful than strikes. Lockouts, scabs, company militias, blacklisting, and "yellow dog" contracts (I promise not to join a union if you promise to hire me) were common. Although unions were still illegal and subject to conspiracy charges, business was rapidly turning to the injunction because increasingly juries weren't returning guilty verdicts. Things were better left to friendly judges. As bad as things were in the workplace they were even worse at home. Rent gouging prevailed. The situation was, as Mother Jones said, one of "hunger, rags, and despair."

Many of the new workplaces were full of foreign-born workers. Incidentally, until immigration restriction laws were passed in 1924, about half of immigrants returned to their country of origin, just staying long enough to make some money. But back to our story. Those that were coming to this country in the mid-1880s were often met at the boats by Day Labor Pools and employment agencies. Unknowingly their first job was more than likely to be a scab. Sometimes, especially when strikers could explain to these workers what was going on, they would walk off the job. Many times they joined

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the picket line. But usually, these workers just went from one scab situation to another.

Working people weren't completely defenseless, however. Although the repression following the Great Uprising had devastated the labor movement, the movement was hanging on and starting to regroup. Still, most workers weren't organized. There were a number of labor organizations around, the most significant being the Knights of Labor. The Knights began in 1869 as a small secret order of men with definite socialist leanings. By the early 1880s it had become an open labor organization practicing what today we would call social or community unionism. Believing in equality and a broader vision of the working class than just skilled laborers, the Knights drew in a wide cross section of working people: women, men, blacks, whites, skilled, unskilled, factory, office, miners, railroad workers, draftsmen, school teachers, reporters, you name it. Everybody, that is, except the Chinese, who were refused admittance.

The group didn't just limit itself to workplace issues but believed in political action. However, they were officially against a labor party because it was "un-American." The Knights had a utopian and revolutionary streak that appealed to many: they were opposed to the wage system (that is, working for money) and wanted to replace it with a society based on cooperative production for the "public good." This group totally understood class solidarity. "The condition of one part of our class can not be improved unless all are improved together." Their slogan "an injury to one is the concern of all" has been adopted by workers and labor organizations all over the world.

The Knights top leadership, headed by Grand Master or President Terence Powderly, was considerably more conservative than the rank and file. Although the Knights were the most successful boycotting organization in history, Powderly vehemently opposed strikes. This, as we shall see, never bothered the rank and file, who disregarded official policy whenever they saw the need.

Not surprisingly, many in the Knights Local assembly leadership were revolutionaries, anarchists, and socialists of every conceivable stripe and association. During this time there was a fairly healthy labor/radical press—about twenty monthly labor journals and four hundred weeklies. The two main political groups at the time were the Socialist Labor Party and the

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International Working People's Association. The Socialist Labor Party looked to European Marxism for inspiration. It was dominated by foreign-born socialists and retained a uniquely foreign-born character until the events of 1886 forced them to change. The International Working People's Association was a more "American" collection of socialists, communist folks, syndicalists, etc. The group was dominated by the anarchists.

In the 1880s Chicago was the center of labor and political activity in this country. Chicago was the hub of America's vast railroad system, the center for meat and food processing. It had a significant manufacturing base—for example, it was the home of the McCormick/Harvester farm equipment works. It was also home to perhaps the most savage and brutal of America's capitalists, who literally owned the police (the police collected paychecks from both the city and the big companies), using them as their private army.

The leading left political group in Chicago was the anarchists. Indeed, the head of the Chicago labor movement was the anarchist, Knight, and printer Albert Parsons. The Knights and the anarchists were an excellent match. Contrary to what I was always taught, the anarchists were not at all about chaos and disorder. They believed in equality regardless of sex or race, wanted to abolish wage slavery (and the capitalist class) and replace it with cooperative organization of production in which different cooperatives would make contracts with each other for goods exchange and would link up in a federalist model.

One of the smaller labor organizations in existence at this time (it included Knights) was the Federation of Organized Trades and Labor Unions. It was formed in 1881 by 150 people on the initiative of some prominent socialists. At the time things seemed really bleak, and the Knights weren't doing too well. This group took a more traditional, conservative approach to unionism: "Trade unionism pure and simple," as they themselves said. Unlike the Knights, they weren't opposed to the wage system. Modeled after the British trade union movement which grew out of the old guild/craft tradition, they concentrated on bread and butter issues—better wages and working conditions for members "without any concern for the working class as a whole and to achieve those aims [wages and working conditions] at the expense of the rest of the laboring class."

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They did, however, have political demands: compulsory education and legalizing labor unions (labor unions were technically illegal under the conspiracy theory) for instance. At their third congress in 1883 they elected Samuel Gompers (yes, him, the future head of the AFL, who at the time considered himself a socialist) as the President. At the 1884 congress they passed a resolution calling for the eight hour day and a general strike to get it, since legislative efforts to win the eight hour day were nowhere on the horizon. The deadline was May 1, 1886.

Many of you have probably been to a political or labor convention. A lot of excellent sounding and well-meaning resolutions get passed. That, however, doesn't mean that real action on them will take place. Well, this is exactly how the Federation treated the May first deadline for the eight hour day. Members and leaders largely ignored it except for letter writing campaigns to legislators. The same approach was taken by Powderly, inside the Knights, who had been approached by the Federation.

The millions of working men, women, and children in America had a very different opinion. They had been fighting for a shorter workday since the early 1830s and took this resolution and ran with it. By the middle of 1885 nearly every city and many towns had Eight Hour Leagues which held marches and rallies with thousands of men, women, and children. In the larger cities, the crowds swelled to tens of thousands. Activity was not limited to rallies and speeches. What also happened was the greatest strike wave in U.S. history. In 1886 nearly 10 percent (500 thousand) of the working population had gone on strike. With the economy in a slight recovery, strikes were now waged for the eight hour day rather than against wage cuts.

At the head of the pack were the Knights' railroad workers on Jay Gould's southwest railroad. Their first successful strike in 1885 against wage cuts had opened the floodgates. Workers were joining the Knights in droves. Organizers couldn't even keep up. Powderly, trying to keep a lid on things, had stopped issuing charters. Nobody cared. They just started a Knights' Lodge anyway. In the two year period between 1884 and 1886 the Knights went from 70 thousand to 730 thousand members. The closer it came to May 1, 1886 the wilder things became. Most strikes now were spontaneous. It wasn't unusual for work-

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ers to strike, or get locked out, then get organized, and then join the Knights.

Everyone, capitalists and labor alike, was preparing for what newspaper columnists were calling a "repetition of the Paris Commune riots" (1871). While workers were gearing up for strikes and parades (May first was a Saturday), the capitalists were mobilizing the police, Pinkertons, and National Guard. Nationwide about 340 thousand paraded, and 190 thousand went out on strike on the first of May.

Chicago was the epicenter. The May first parade was 80 thousand strong (remember this is a workday)—it was peaceful and festive—no bloodshed, no Paris Commune. That Monday, May 3rd, the giant McCormick works headed off an eight hour day strike with a lockout. The company brought in 300 scabs and police who clubbed and beat workers. Finally the cops opened fire on the workers, killing six. A rally on behalf of the McCormick workers was called for the next day, May 4th, at Haymarket Square in downtown Chicago. By comparison to Saturday it was a small crowd—only 3 thousand. The mayor was there (actually a rather friendly force) and so were all 180 of the Chicago police, definitely not a friendly force. Just as the last speaker was saying, "In conclusion," and most of the crowd had already gone home, a bomb exploded at the police lines, killing six and wounding fifty. The police went berserk and started shooting, clubbing, and charging the crowd.

This was what the capitalists had hoped for. Now they had an excuse to bust the workers movement. The retaliation was swift and sure. Radicals everywhere (not just in Chicago) were rounded up. In Chicago several hundred arrests were made. The powers that be were intent on making an example of what they called "the leaders of the Black Terror." Eight people were finally put on trial for the bombing, although only one had even been present at the rally and he had been in the midst of saying "in conclusion."

The press helped turn public opinion against the workers movement. The trial of the eight took on the proportions of the O.J. Simpson trial. All but one of the defendants got the death penalty. In a couple of years a worldwide protest movement was in full swing. In the end four were hanged despite a mountain of evidence that the whole thing was trumped up and none were involved in the bombing. To this day, no one knows who did it.

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On the labor front, employers, with the press and public support behind them, took a hard line. Unfortunately, they found a friend in Terence Powderly, who personally submarined two very important strikes, settling winning strikes out from under local Lodges. One was the third in a series of strikes against Jay Gould, probably the most hated of all the robber barons. This strike ended May 6, 1886. The next involved the massive Chicago Packinghouse workers who were sold out in October 1886. This proved to be the beginning of the end for the Knights. They were in severe decline by the 1890's. In their place rose the American Federation of Labor, founded in 1886 by Samuel Gompers. Sadly, the robber barons crushed not only the labor movement, but the eight hour day as well. The eight hour day wasn't achieved until 1938 with the passage of the Fair Labor Standards Act, after one hundred years of struggle.

There are many themes from this story that have relevance for us today and which remain to be discussed:

One: The gap in the trade union movement between the rank and file, local leaders, and their national officers, and the disastrous consequences which result from this situation. Here the Staley struggle comes to mind.

Two: Putting people on trial for their political beliefs and mounting an international campaign for justice. Here Mumia Abu-Jamal is an example.

Three: How radicals and the labor movement can successfully build a working-class movement in the midst of deep structural changes in the economy.

Four: The critical role immigrant workers play in our labor movement.

And, five, what I'd like to end with: The power of shorter work time to mobilize the working class to take on capital.

It's almost incomprehensible from today's vantage point that after 100 years of struggle, the eight hour day has receded from most people's consciousness. There are a number of reasons why this has become essentially a dead issue since 1938: the rise of war production, the consumer or "shop till you drop" economy, and the change in how people were taught to view work. During the century of struggle, the vast majority took the attitude, "I work to live," even if they were in fact working all the time. Today who we are is defined by what we do. We no longer work to live, but live to work.

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This has permitted business interests to chip away at the eight hour day: Salaried workers, especially in the office, finance, and legal world, no longer have an eight hour day. You've heard about sixty to eighty hour workweeks. Increasingly, unions representing hourly and salaried workers are giving up: massive overtime is the rule in most shops. Not only do the companies want it (it's cheaper than hiring additional workers), but workers need it because of their own falling wages. The irony is that this only serves to further cheapen labor. The new benchmark in both manufacturing and in the health care industry is the twelve hour day in rotating shifts. The fact that Congress is proposing to gut the Fair Labor Standards Act and a mass movement has not sprung up says something. Let me leave you all with a few thoughts for discussion:

1. Mass movements, even like the old eight hour movements, won't grow spontaneously, even though once started they may take on a spontaneous character;

2. There is plenty of evidence that working people are choking on too much work, want to do something about it, but don't yet see the means. The successful UAW Flint strike a couple of years ago has yet to be replicated. (That was a local initiative by the New Directions leadership in that local.).

3. The AFL-CIO campaign to "Give America a Raise" must be linked to shorter work time. Shorter work time with no loss in pay is a significant pay increase, as well as a strategy to put millions of our young people to work.

4. Clearly, work time is an issue which means a lot to people. I believe a campaign around this could help us rebuild our labor movement to once again be a beacon for the working class.

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(Continued from inside front cover)

at all times multiple panels in operation—in big theaters, lecture halls, and classrooms, put together by a long list of sponsors. No one could attend more than a small fraction of the panels, even if she or he was a fast runner and knew his or her way around the building like the architects who designed it. So the best we can do is give you a sketchy report summarizing MR's participation.

The theme of the Conference was "A World to Win: from the Manifesto to New Organizing for Social Change." MR panels were all well attended and received, in particular the panel "One Hundred and Fifty Years after the Communist Manifesto," which opened the Conference on Saturday morning with Samir Amin, Daniel Singer, Ellen Wood, Aijaz Ahmad, Paul Sweezy, and Harry Magdoff speaking. (We are printing in this issue of MR Paul Sweezy's presentation given at this panel and also Daniel Singer's talk from the Sunday evening plenary.)

MR's other panels included "Rising From the Ashes: Labor in the Age of Global Capital," with Bill Fletcher, Kim Moody, Michael Yates, and chair Ellen Wood; "Capitalism and the Media," with Ed Herman, Joan Greenbaum, John Foster, and chair John Simon; "The Southeast Asian Crisis: Imperialism and Financial Capital," with William K. Tabb, David McNally, John Lie, David Kotz, and chair Harry Magdoff; "Are Left Intellectuals Irrelevant?", with Michael Lowy, Aijaz Ahmad, Ellen Wood and chair Christopher Phelps; "A Chinese Model of Development?", with Samir Amin, Nirmal Chandra, Sheng-Yu Liu, and chair John Mage; "Race and Class," with Antonia Darder, Michael Goldfield, Joel Washington, David Abdulah, and chair Kira Brunner. Unfortunately, a scheduled debate "Ecology and Social Change," between John Foster and David Harvey with Barbra Epstein as chair had to be called off because of Harvey's illness, but Barbra and John did an excellent job of discussing the topic, and the audience got very much involved and asked excellent questions.

From our point of view the entire Conference was a great success, as well as a kind of unofficial kick-off to the many other conferences this year aimed at commemorating the 150th anniversary of the *Communist Manifesto.* An important meeting on the same theme—almost a sister conference to the SSC '98—will take place in Paris in May, and MR has plans to participate. We did hear a few complaints about the SSC; for example some said that the Conferences are becoming "too Marxist." If anyone wants to accuse us at MR of aiding and abetting this trend, we gladly plead guilty! Finally, in book and magazine sales at our display table, we set a new record. Best sellers were MR Press's new edition of the *Manifesto* and Samir Amin's *Spectres of Capitalism.*

Speaking of the *Manifesto's* 150th anniversary, we're marking the occasion in this issue with articles either about that great work or reflecting on the directions in which capitalism and Communism are moving 150 years later. Readers will notice that we're marking another anniversary too: the beginning of volume 50 of *Monthly Review,* and with it, the beginning of our 50th year. We've made some changes in the format of the magazine: changing the size for purely practical reasons—because some sharp observers have noticed that it tends to disappear on magazine racks made for larger formats; changing over to what's called "perfect binding" so that the name will appear on the spine; and, while we're at it, making some minor changes in the cover design. If readers want to see some kind of symbolism in these changes, we hope it will convey the message that the basic values of MR and its commitment to socialist politics remain the same, while we always try to be creative in our responses to changing realities.

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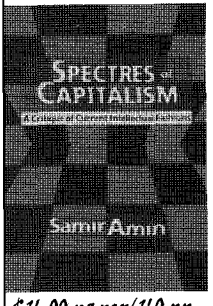

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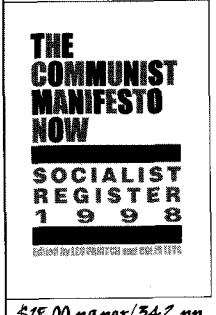

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